

INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Zim Laboratories Limited (the "Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as the "Group"), which comprise the Consolidated Balance Sheet as at 31 March 2026 and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2026, their consolidated profit and their consolidated other comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Capitalization and realisability of 'Product Marketing Authorization' Rights</p> <p>(Refer Note 2.1(e) to the accompanying consolidated financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures)</p> <p>The Group has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights / product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing Authorizations'. The 'Product Marketing Authorizations' are marketing rights and primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies.</p> <p>Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from the date of capitalization.</p> <p>For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines.</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and its realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effective of internal controls around capitalisation and realisability of 'Product Marketing Authorization' Rights; • Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Group on a sample basis; • Verified sample of costs incurred to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being incurred; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, such status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities;

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	<p>The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of such intangible assets and Intangible assets under development.</p> <p>Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date; • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the consolidated financial statements in accordance with applicable accounting standards.
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of Management and Board of Directors for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intend to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 6 subsidiaries whose financial statements reflect total assets of Rs. 4,522.30 lakhs as at 31 March 2026, total revenues of Rs. 3,576.06 lakhs and net cash inflows amounting to Rs. 474.32 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Parent and audited by us.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

- (b) The consolidated financial statements of the Parent for the year ended 31 March 2025 were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2025.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

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Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matters section above we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Group including relevant records so far as it appears from our examination of those books and the reports of the other auditors, except for matters stated in (i)(vi) below.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Parent as on 31 March 2026 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to consolidated financial statements of those companies.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

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- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 44 to the consolidated financial statements.
 - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 15(ii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (b) The respective Managements of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, as disclosed in the note 15(iii) to the consolidated financial statements, no funds have been received by the Parent or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

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- v) The Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have not declared or paid any dividend during the year and have not proposed final dividend for the year.
- vi) Based on our examination which included test checks and based on the other auditor's reports of its subsidiary companies incorporated in India whose financial statements have been audited under the Act, the Parent and its subsidiary companies incorporated in India have used accounting software systems for maintaining their respective books of account for the financial year ended 31 March 2026 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. During the course of our audit of the Parent, we did not come across any instance of audit trail feature being tampered with other than the consequential impact of audit trail feature which was not enabled at database level to log any direct data changes. Hence, we are unable to comment on whether the audit trail feature at the database level of the said software of the Parent was enabled and operated throughout the year and preserved for all relevant transactions recorded in the software. However, subsequent to the year ended 31 March 2026, audit trail has been enabled by the Parent at the database level to log any direct data changes.

Additionally, the audit trail that was enabled and operated for the year ended 31 March 2026, by the Parent at application level and above referred subsidiary companies incorporated in India, has been preserved by the Parent and such subsidiary companies incorporated in India, as per the statutory requirements for record retention. Also, refer Note 51 to the consolidated financial statements.

2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us and the auditors of respective companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Parent, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)



Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654YCUYAR7969)

Place: Mumbai
Date: 19 May 2026

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ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

In conjunction with our audit of the consolidated financial statements of the Company as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Zim Laboratories Limited (hereinafter referred to as the "Parent") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The respective Company's management and Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on "the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

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Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to consolidated financial statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to consolidated financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Parent and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026 based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)



Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654YCUYAR7969)

Place: Mumbai
Date: 19 May 2026

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ZIM Laboratories Limited
Consolidated Balance Sheet as at 31 March 2026

	Note	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,643.23	15,834.39
Capital work-in-progress	4	5,876.02	4,405.44
Goodwill on consolidation	5(A)	16.94	16.94
Other intangible assets	5(A)	518.32	576.33
Intangible assets under development	5(B)	3,576.55	2,641.05
Financial Assets			
Investments	6	5.00	5.00
Other financial assets	7	251.67	236.73
Income tax assets (net)	8	100.44	103.82
Other non-current assets	9	223.52	251.90
Deferred tax assets (net)	20(A)	45.97	25.09
		26,357.66	24,096.89
Current assets			
Inventories	10	9,377.48	8,647.00
Financial Assets			
Trade receivables	11	10,903.80	10,692.03
Cash and cash equivalents	12	2,512.19	194.66
Bank balances other than cash and cash equivalents	13	1,829.08	54.59
Other financial assets	14	48.73	24.09
Other current assets	15	2,909.57	3,518.37
		27,580.85	23,130.74
TOTAL ASSETS		53,938.71	47,227.43
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,350.03	4,872.58
Other equity	17	24,265.33	20,351.17
Equity attributable to owners		29,615.36	25,223.75
Non controlling interest		0.05	0.05
Total equity		29,616.41	25,223.80
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	4,158.83	4,030.10
Lease liabilities	19	83.20	206.97
Deferred tax liabilities (net)	20	1,042.03	1,130.10
		5,284.06	5,367.17
Current liabilities			
Financial Liabilities			
Borrowings	21	8,139.56	7,186.15
Lease liabilities	22	274.30	356.43
Trade payables	23		
-total outstanding due of micro enterprises and small enterprises		847.20	668.46
-total outstanding due of creditors other than micro enterprises and small enterprises		6,445.68	6,282.12
Other financial liabilities	24	1,068.66	1,170.36
Other current liabilities	25	1,920.27	612.70
Provisions	26	85.94	67.90
Current tax liabilities (net)	8(A)	257.63	292.04
		19,039.24	16,636.46
TOTAL LIABILITIES		24,323.30	22,003.63
TOTAL EQUITY AND LIABILITIES		53,938.71	47,227.43

Material accounting policy information and other explanatory information

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As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

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For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1964PLC037172

Anwar S. Daud
Managing Director
DIN: 00023529

Shyam Mohan Patro
Chief Financial Officer

Place: Nagpur
Date: 19 May 2026

Zulfiqur M. Kamal
Director (Finance)
DIN: 01786763

Piyush Nikhade
Company Secretary



ZIM Laboratories Limited
Consolidated Statement of Profit and Loss for the year ended 31 March 2026

	Note	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
I. Income			
Revenue from operations	27	37,440.01	37,903.10
Other income	28	1,138.30	578.41
Total Income		38,578.31	38,481.51
II. Expenses			
Cost of materials consumed	29	16,404.76	15,500.40
Purchase of stock in trade	30	746.83	1,157.82
Changes in inventories of finished goods and work-in-progress	31	(614.14)	126.65
Employee benefits expense	32	6,390.38	6,075.96
Finance costs	33	1,320.23	1,138.82
Depreciation and amortisation expense	34	1,997.80	2,011.34
Other expenses	35	11,511.17	10,689.56
Total Expenses		37,757.03	36,680.57
III. Profit before tax		821.28	1,800.94
IV. Tax (expense):	36		
(i) Current Tax		(342.39)	(467.41)
(ii) Deferred Tax		104.92	(117.03)
		(237.47)	(584.44)
V. Net Profit after tax		583.81	1,216.50
VI. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Measurements of defined employee benefit plans		(13.85)	(75.95)
- Income tax relating to items that will not be reclassified to profit or loss		4.03	22.11
Items that may be reclassified to profit or loss			
- Exchange differences on translation of foreign operations		220.49	51.09
- Income tax relating to items that will be reclassified to profit or loss		-	-
		210.67	(2.75)
VII. Total Comprehensive Income		794.48	1,213.75
VIII. Not Profit after tax attributable to			
Owners		583.81	1,216.52
Non-controlling interest		-	(0.02)
		583.81	1,216.50
IX. Other Comprehensive Income attributable to			
Owners		210.67	(2.75)
Non-controlling interest		-	-
		210.67	(2.75)
X. Total Comprehensive Income attributable to			
Owners		794.48	1,213.77
Non-controlling interest		-	(0.02)
		794.48	1,213.75
XI. Earnings per equity share: Nominal value of Rs. 10 each	40		
Basic (In Rs.)		1.19	2.50
Diluted (In Rs.)		1.19	2.50

Material accounting policy information and other explanatory information 1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah
Partner
Membership No.: 117554

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L89998MH1984PLC032172

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiquar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026



RB.

ZIM Laboratories Limited
Consolidated Statement of Cash Flow for the year ended 31 March 2026

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Cash flow from operating activities		
Profit before tax	821.28	1,800.94
Depreciation and amortisation expenses	1,997.80	2,011.34
Interest on lease deposits	(7.49)	(7.14)
Gain on sale of property, plant and equipment (net)	(251.68)	(19.80)
Unrealized foreign exchange gain	(284.08)	(29.99)
Dividend Income on investments	(0.75)	(0.75)
Interest income	(32.64)	(5.11)
Equity settled share based payments to employees	113.49	135.40
Bad debts written off	78.11	212.71
Reversal of loss allowance - trade receivables	(23.20)	(71.97)
Finance costs	1,320.23	1,138.82
Operating profit before working capital changes	3,731.06	5,164.45
Movement in working capital :		
Increase in trade & other payables and provisions	1,613.42	263.30
Increase/decrease in inventories	(730.48)	(520.71)
(Increase)/decrease in trade and other receivables	712.83	(899.17)
Net Cash generated from operations	5,326.83	4,007.87
Direct taxes paid (net of refunds)	(373.42)	107.59
Net cash generated from operating activities (A)	4,953.41	4,115.46
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets (Refer note i)	(4,438.65)	(4,079.77)
Sale proceeds of property, plant and equipment and intangibles	561.65	73.20
Deposits of bank deposits placed with bank (having original maturity of more than three months)	(2,078.19)	(35.50)
Maturity of bank deposits placed with bank (having original maturity of more than three months)	302.87	44.03
Interest received	16.80	4.59
Dividend received	0.75	0.75
Net cash used in Investing activities (B)	(5,634.77)	(3,992.70)
Cash flow from financing activities		
Proceeds from issue of equity share	3,507.76	-
Transaction cost of preferential issue	(24.12)	-
Proceeds from long term borrowings	2,233.44	2,462.40
Repayment of long term borrowings	(2,149.22)	(1,532.02)
Proceeds/(Repayment) of short term borrowings (net)	683.87	(252.65)
Proceeds under supplier finance arrangements (net)	250.21	-
Repayment of principal portion of lease obligations	(393.88)	(358.16)
Finance costs paid	(1,289.50)	(1,230.02)
Changes in unclaimed dividend bank balances	5.55	5.69
Changes in unclaimed dividend liabilities	(5.55)	(5.69)
Net cash generated from (used in) financing activities (C)	2,818.58	(910.46)
Effects of exchange rate changes on cash and cash equivalents (D)	180.33	22.33
Net (decrease)/increase in cash and cash equivalents (A+B-C+D)	2,317.53	(755.38)
Opening cash and cash equivalents	194.66	980.02
Closing cash and cash equivalents	2,512.19	184.68
Components of cash and cash equivalents		
Cash on hand	3.34	4.42
Balances with banks in:		
- Current accounts	1,005.02	190.24
- Bank deposits (having original maturity of less than three months)	1,503.83	-
Total cash and cash equivalents (Refer note 12)	2,512.19	194.66

Notes:

- includes capital work-in-progress, intangible assets under development, capital advance, payable for capital expenditure.
- The Consolidated Statement of Cashflow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash flows.

Material accounting policy information and other explanatory information

1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366WAW-100018

Viral R. Shah

Viral R. Shah
Partner
Membership No.: 117854

Place: Mumbai
Date: 19 May 2026

RB.

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1904PLC032172

Anwar S. Daud

Anwar S. Daud
Managing Director
DIN: 00023529

Shyam Mohan Patro

Shyam Mohan Patro
Chief Financial Officer

Place: Nagpur
Date: 19 May 2026

Zulfiqar M. Kamal

Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763

Piyush Khade

Piyush Khade
Company Secretary



ZIM Laboratories Limited
Consolidated Statement of Changes to Equity for the year ended 31 March 2026

Equity share capital (Refer note 16)

	Number of shares	Rs. in lakhs
Balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year	-	-
Balance as at 31 March 2025	4,87,25,814	4,872.58
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2025	4,87,25,814	4,872.58
Changes during the year	47,74,467	477.45
Balance as at 31 March 2026	5,35,00,281	5,350.02

Other equity (Refer note 17)

	Other equity attributable to owners						Total other equity
	Reserves & Surplus					Foreign currency translation reserve	
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Share options outstanding reserve		
Balance as at 01 April 2024	802.98	106.20	15,743.15	2,140.24	-	209.23	19,002.60
Transactions during the year							
Total comprehensive income							
Net Profit after tax	-	-	1,216.52	-	-	-	1,216.52
Other comprehensive income	-	-	(53.54)	-	-	51.09	(2.75)
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	135.40	-	135.40
Balance as at 31 March 2025	802.98	106.20	16,905.83	2,140.24	135.40	260.52	20,351.17
Transactions during the year							
Total comprehensive income							
Net Profit after tax	-	-	503.81	-	-	-	503.81
Other comprehensive income	-	-	(9.62)	-	-	220.49	210.87
Preferential issue of equity shares (Refer note 18)	3,023.55	-	-	-	-	-	3,023.55
Transaction cost of preferential issue of equity shares	(24.12)	-	-	-	-	-	(24.12)
Exercise of employees stock options (Refer note 47)	12.21	-	-	-	-	(5.45)	6.76
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	113.49	-	113.49
Balance as at 31 March 2026	3,814.62	106.20	17,479.82	2,140.24	243.44	481.01	24,265.33

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117386WV-100018

Viral Shah
Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No. L99999MH1984PLC032172

Anwar S. Davd
Anwar S. Davd
Managing Director
DIN: 05027126

Place: Nagpur
Date: 19 May 2026

Zulfiqar M. Kamal
Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763

Piyush N. Khada
Piyush N. Khada
Company Secretary

RB.



1. Background of the Company

ZIM Laboratories Limited (the Company / Holding Company / Parent) is a public limited company domiciled in India with its registered office at Sadbday Gyan (Ground Floor), Opposite N.A.D.T., Nelson square, Nagpur-440013. The Company has primarily listed on BSE/NSE. The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India. The Company has wholly owned subsidiaries (ZIM Laboratories FZE, UAE, SIA ZIM Laboratories Limited, Latvia, ZIM Health Technologies Limited, India and ZIM Thinorals Private Limited, India), subsidiary (ZIMTAS PTY Limited, Australia) and step-down subsidiary (ZIM Scientific Office L.L.C, UAE) (the Company and its subsidiaries are together referred to as 'the Group') which are engaged in manufacturing & wholesale of pharmaceutical products, market research and research & development activities.

The consolidated financial statements ("the financial statements") of the Group for the year ended 31 March 2026 were authorised for issue in accordance with resolution of the Board of Directors on 19 May 2026.

2. Basis for preparation of financial statements

(i) Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value.

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the group's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Material accounting policy information

a Principles of consolidation

-Subsidiary

Subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

b Use of estimates

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the group and are based on historical experience and various other assumptions and factors (including expectations of future events) that the group believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

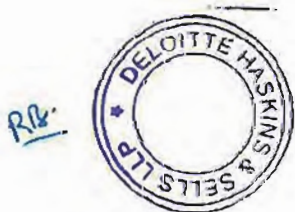
c Property, plant and equipment (including Capital Work-in-Progress)

The group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 01 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost and not revalued its property, plant and equipment at the end of each year.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.



d Depreciation methods and estimated useful lives

The group provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipments	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate at the end of each reporting period.

Leasehold improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land is amortised over the primary period of lease.

e Intangible assets (including Intangible assets under development)

Intangible assets are stated at acquisition/development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered/capitalised as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and brands and for product marketing authorisations, lower of validity of product marketing authorisation certificate of three years.

f Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

g Measurement and recognition of leases

The Group considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'

To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Group as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Group has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116. Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Group's benefit.

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Group as a lessor

Lease income from operating leases where the Group is a lessor is recognised as income on a straight line basis over the lease term.

h Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

i Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

j Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

k Investments and financial assets

Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement:

At initial recognition, the Group measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The group measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However, where the group's management makes an irrevocable choice on initial recognition, to present fair value gains and losses on specific equity investments in other comprehensive income (currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the group applies the simplified approach permitted by Ind AS 109, Financial Instruments. The Group has used a practical expedient for computing the expected credit loss allowance for trade receivables based on the ageing based matrix.

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De-recognition of financial assets

A financial asset is derecognised only when

- The group has transferred the rights to receive cash flows from the financial asset or they have expired or
- The group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

l Derivatives and embedded derivatives

The group uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

m Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing materials is determined at weighted average cost or net realisable value, whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

o Foreign Currency Transactions

The functional currency of the Company and its Indian subsidiaries is the Indian Rupee (Rs.) whereas the functional currency of foreign subsidiaries is the currency of their country of domicile.

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the Balance sheet date and exchange gains or losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities are translated at the closing rate on the balance sheet date.
- (b) Income and expenses are translated at the average exchange rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated based on rates prevailing at the date of transaction).
- (c) All resulting exchange differences are recognised in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to statement of profit and loss, as part of the gain or loss on sale.

Fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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p Revenue Recognition

The group derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the group expects to receive in exchange for those products.

The group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the group's performance as the group performs; or
2. The group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The group's performance does not create an asset with an alternative use to the group and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue -

Product service income

Product development income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable i.e. over time.

The Group enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Group recognises or defers the upfront payments received under these arrangements.

Out-licensing income

Revenues include amounts derived from out-licensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Group has continuing performance obligations, if the milestones are not considered substantive.

Export incentives

Export incentives under various schemes are accounted in the year of export.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

q Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend income is recognised when right to receive the payment is established by the balance sheet date.

r Employee Benefits

Defined Contribution Plan

The group has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The group contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations.

The group's contributions to the above funds are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The group has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall / excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the group recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

At present, short term benefits are the only employee benefits applicable to the subsidiaries, while all benefits are applicable to the Company.

6 Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (including Minimum Alternate Tax (MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the group and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

7 Provisions and Contingent Liabilities

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the group or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

8 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



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v Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B))

The Group reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.

- Recognition and measurement of defined benefit obligations (Refer note 45)

The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.

- Tax expenses (Refer note 36)

The Group reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.

- Loss Allowance (Refer note 11)

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Under Ind AS impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance. Individual trade receivables are written off if the same are not collectible.

- Leases – Estimating the incremental borrowing rate (Refer Note 2(g))

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

- Inventory (Refer note 10) - The Group reviews the allowance for defective and obsolete items inventory at the end of each reporting period.

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3. Property, plant and equipment

	(Rs. in lakhs)									
	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Leasehold Land	Other Right of Use Assets (Refer note 4)	Total
Gross carrying amount										
Balance as at 1 April 2024	861.57	1,007.89	10,470.38	327.28	1,705.96	537.53	252.30	645.57	532.46	24,424.11
Depreciation/Amortisation	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	861.57	1,007.89	10,470.38	327.28	1,705.96	537.53	252.30	645.57	532.46	24,424.11
Change for the year	-	-	-	-	-	-	-	-	-	-
Net carrying amount	861.57	1,007.89	10,470.38	327.28	1,705.96	537.53	252.30	645.57	532.46	24,424.11
Balance as at 31 March 2024	861.57	1,007.89	10,470.38	327.28	1,705.96	537.53	252.30	645.57	532.46	24,424.11
Balance as at 31 March 2025	861.57	1,007.89	10,470.38	327.28	1,705.96	537.53	252.30	645.57	532.46	24,424.11

1. Lease in which the Group is Lessee
 The Group has leasing arrangements for its build, office buildings and plant & equipments. The Group pays lease charges as fixed amount or as per respective lease agreements. Right-of-use assets is measured on a lease by lease basis, at carrying amount. The carrying amount is determined based on the incremental borrowing rate at the time of lease inception. The lease agreements for immovable properties where the Group is the lessee are duly executed in favour of the Group. The average lease period for office buildings and plant & equipments is 2-3 years and for land is 99 years.

ii. Refer note 41 (3) (c) disclosure of contractual commitments for the acquisition of property, plant and equipment
 iii. Refer note 18 and 21 for information on property, plant and equipment acquired as security by the Parent.
 iv. There are no lease assets (i.e. net assets) used during the current year and previous years.
 v. There are no lease liabilities (i.e. net liabilities) arising during the current year and previous years.

4. Capital work in progress (CWIP)

	(Rs. in lakhs)
Balance as at 1 April 2024	2,251.90
Additions	4,073.89
Capitalisation	(2,070.84)
Balance as at 31 March 2025	4,254.95
Capitalisation	(3,346.72)
Balance as at 31 March 2026	808.23

	(Rs. in lakhs)		
	1-2 years	3-5 years	More than 5 years
Balance as at 31 March 2024	2,054.92	2,191.24	1,851.59
Projects in progress	-	-	-
Projects to be started in subsequent years	2,184.50	2,189.84	1,651.50
Balance as at 31 March 2025	2,184.50	2,189.84	1,651.50
Projects in progress	2,184.50	1,923.15	-
Projects to be started in subsequent years	-	-	-
Balance as at 31 March 2026	2,184.50	1,923.15	-

Note: Capital work-in-progress (CWIP) includes cost incurred towards commencement of property, plant and equipment of the Group that are in progress as on each reporting year where activity has been commenced. Projects are no longer in progress when work has finished or completed or when work is complete in nature.



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ZIM Laboratories Limited

Material accounting policy information and other explanatory information to the consolidated financial statements for the year ended 31 March 2024

5(A) Intangible assets

	Software	Product Marketing Attribution	Brands	Total	(Rs. in lakhs)
Gross carrying amount	428.15	1,183.30	604.65	2,216.10	18.94
Balance as at 1 April 2024	-	306.30	-	306.30	-
Additions - internally developed	77.48	-	-	77.48	-
- Acquired	-	121.24	-	121.24	-
Disposals/Adjustments	-	5.87	-	5.87	-
Exchange differences	608.64	1,373.32	604.65	2,486.61	15.44
Balance as at 31 March 2024	57.21	1,32.24	-	189.45	-
Additions - internally developed	-	-	-	-	-
- Acquired	-	-	-	-	-
Exchange differences	552.35	1,638.05	604.65	2,795.05	16.34
Balance as at 31 March 2025	214.61	1,638.05	604.65	2,457.31	-
Change for the year	58.04	126.71	-	184.75	-
Disposals/Adjustments	-	121.24	-	121.24	-
Balance as at 31 March 2025	297.83	1,065.78	604.65	1,968.26	-
Change for the year	64.94	210.02	-	274.96	-
Disposals/Adjustments	-	-	-	-	-
Balance as at 31 March 2026	362.77	1,275.80	604.65	2,243.22	-
Net carrying amount	237.79	388.54	-	626.33	15.94
Balance as at 31 March 2025	186.04	322.26	-	508.30	16.84
Balance as at 31 March 2026	-	-	-	-	-

5(B) Intangible assets under development (IAUD)

	(Rs. in lakhs)
Balance as at 1 April 2024	1,137.11
Additions - internally developed	11.13
- Acquired	(208.39)
Capitalisation - internally developed	(77.48)
- Acquired	2,641.05
Balance as at 31 March 2024	1,452.32
Additions - internally developed	74.22
- Acquired	(132.24)
Capitalisation - internally developed	(57.21)
Balance as at 31 March 2025	3,276.56

	Amount in IAUD for a period of			Total
	Less than 1 year	1-2 years	More than 2-3 years	
Balance as at 31 March 2024	1,187.86	1,004.06	811.65	692.38
Projects in progress	1,167.86	1,004.06	811.65	692.38
Projects temporarily suspended	-	-	-	-
Balance as at 31 March 2025	1,014.74	976.12	850.19	2,841.05
Projects in progress	1,014.74	976.12	850.19	2,841.05
Projects temporarily suspended	-	-	-	-

Note: Represents expenditure incurred towards acquiring regulatory approvals and registration of the products for overseas markets. There are no IAUD as on each reporting year where activity had been suspended. Also there are no IAUD as on reporting year where completion is overdue.



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	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
8 Investments		
Investment in body corporate:		
Unquoted equity investment carried at amortised cost	5.00	5.00
20,000 (31 March 2025: 20,000) equity shares of Rs. 25 each held up in Sharma Veda cooperative Bank Limited	5.00	5.00
Aggregate amount of investments		
Aggregate carrying value of unquoted investments	5.00	5.00
Aggregate carrying value of quoted investments	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
	5.00	5.00
9 Other financial assets (non-current)		
(Unsecured, considered good)		
Earned money and security deposit	210.76	210.00
Margin money deposits	21.11	20.85
Reproducible fixed deposits with banks Rs. 21.51 lakhs, Rs. 25.63 lakhs as at 31 March 2025) named as herein qua titles issued by banks on behalf of the Parent		
	231.87	230.85
10 Income tax assets (net)		
Advance income tax (net of provision for tax)**	103.44	103.67
** Includes amount paid under protest Rs. 51.00 lakhs (31 March 2025: Rs. 64.00 lakhs)	103.44	103.67
11 Current tax liabilities (net)		
Provision for tax (net of advance tax for tax) Rs. 63.62 lakhs (31 March 2025: Rs. 119.20 lakhs)	257.62	232.01
	257.62	232.01
12 Other non-current assets		
(Unsecured, considered good)		
Capital advance	184.23	201.33
Prepaid expenses	29.29	50.57
	213.52	251.90
13 Inventories		
Measured at lower of cost or net realisable value:		
Raw materials and packing materials	284.33	5,603.06
Goods-in-transit	5,584.53	743.21
Others	537.69	142.30
Work-in-progress	60.72	2,782.98
Finished goods	2,782.98	1,458.95
Goods-in-transit	145.95	211.41
Others	211.41	211.41
Stores and spares	211.41	211.41
	9,377.48	8,647.01
14 Trade receivables (Unsecured, Refer note 1a) below		
Trade receivables - considered good (Refer note 1c)	10,603.80	10,692.03
Trade receivables - credit impaired	35.44	46.46
Trade receivables which have significant increase in credit risk	21.34	33.50
	10,660.58	10,772.01
Less: Loss allowance	(66.78)	(79.85)
	10,593.80	10,692.16

1a) Aging of Trade receivables

	Outstanding for following periods from date of payment						Total
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026							
Unquoted Trade Receivables - considered good	7,423.59	2,790.79	604.19	89.82	3.01	-	10,903.40
Unquoted Trade Receivables - which have significant increase in credit risk	0.71	0.66	3.33	0.50	1.50	14.04	21.24
Unquoted Trade receivable - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	28.50	-	6.94	35.44
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	7,424.30	2,791.45	607.52	118.82	5.11	21.55	10,969.75
Less: Loss allowance	(0.71)	(0.66)	(3.33)	(29.00)	(1.50)	(14.04)	(58.24)
	7,423.59	2,790.79	604.19	89.82	3.61	-	10,903.40
As at 31 March 2025							
Unquoted Trade Receivables - considered good	8,201.44	2,331.47	117.17	32.56	5.07	-	10,687.67
Unquoted Trade Receivables - which have significant increase in credit risk	1.16	0.94	1.45	0.70	-	29.75	33.90
Unquoted Trade receivable - credit impaired	-	-	-	-	46.26	-	46.26
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
	8,202.60	2,332.41	118.62	33.26	51.55	29.75	10,772.81
Less: Loss allowance	(1.16)	(0.94)	(1.45)	(0.70)	(46.48)	(29.75)	(79.88)
	8,201.44	2,331.47	117.17	32.56	5.07	-	10,692.03

No trade receivables are due from directors or other officers of the group either severally or jointly with any other person. No any trade receivables are due from firms or private companies respectively in which any director is a partner, a creditor or a member other than those disclosed in the note 10.

Trade receivables are not interest bearing and are generally on terms of 30 to 120 days.

Refer note 36 for information about impairment and market risk of trade receivables.

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
12 Cash and cash equivalents		
Cash on hand	3.34	4.42
Bankers' cash balances in current accounts	1,065.02	1,057.24
Bank deposits having original maturity of less than three months	1,583.83	1,584.58
	2,652.19	2,646.24
13 Bank balances other than cash and cash equivalents		
Bank deposits having original maturity of more than three months but less than twelve months	1,512.99	9.00
Emergency deposits with bank	-	-
Bank deposits having original maturity of more than three months but less than twelve months	268.00	-
Unclaimed dividend accounts	3.86	3.20
Margin money deposits	44.41	30.36
Reproducible fixed deposits with banks Rs. 44.41 lakhs (Rs. 56.36 lakhs as at 31 March 2025) named as herein qua titles issued by banks on behalf of the Parent	1,829.26	42.56
	1,829.26	42.56
14 Other financial assets (current)		
(Unsecured, considered good)		
Earned money and security deposits	41.99	16.50
Interest receivable	-	-
from Banks	9.13	0.58
from Others	7.01	7.01
	48.73	24.09



	As at	
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
15 Other current assets		
(Unsecured, consideration)		
Advance to suppliers	190.82	1,506.80
Advance against expenses to employees	11.42	12.56
Expenses with government authorities	2,387.25	1,443.24
Prepaid expenses	250.01	240.25
Prepaid liability (Refer note 43)	20.59	53.27
	<u>3,060.09</u>	<u>3,256.12</u>

iii) There are no advances to directors or other officers of the Group either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or director or a member other than those disclose in the note 43

- (i) The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries); or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries; or
- (v) The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

16 Equity share capital			
Authorised	75,000,000 (31 March 2025: 75,000,000) equity shares of Rs. 10 each	7,500.00	7,500.00
Issued	53,300,311 (31 March 2025: 42,725,614) equity shares of Rs. 10 each fully paid up	5,330.03	4,872.58
Subscribed and Paid-Up	53,300,311 (31 March 2025: 42,725,614) equity shares of Rs. 10 each fully paid up	<u>1,350.03</u>	<u>4,872.58</u>
		<u>6,680.03</u>	<u>12,372.58</u>

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Balance as at the beginning of the year*	42,725,614	4,872.58	42,725,614	4,872.58
Add: Shares issued during the year on preferential issue†	47,04,497	476.45	-	-
Add: Shares issued during the year on exercise of employee stock options (Refer note 47)	10,000	1.00	-	-
Balance as at the end of the year	<u>53,300,311</u>	<u>5,350.03</u>	<u>42,725,614</u>	<u>4,872.58</u>

*During the year, the Parent has issued 47,04,497 equity shares of all issue price of Rs. 10 per share on a preferential basis in accordance with applicable provisions of the Companies Act, 2013 and SEBI (ICDR) Regulations.

(b) Rights, preferences and restrictions
 The Parent has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend declared by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are entitled to receive the remaining assets of the Parent after distribution of all preferential amounts, in proportion to their shareholding.

(c) Bonus shares issued
 On 12 December 2022, the Parent has issued 32,453,876 equity shares of face value Rs. 10 each as fully paid up bonus shares. The Parent has issued two bonus equity shares against one existing equity share (1:2).

(d) Equity shares reserved for issue under employee stock options
 The number of stock option against which equity shares to be issued by the Parent upon vesting and exercise of these stock options and right by the employees under Employee Stock Option Scheme (Refer note 47).

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar S. David*	1,33,36,320	24.99%	1,33,36,320	27.37%
Zafiqur Kamal	11,04,261	2.06%	-	-
Tasneem A. Dukat	30,803	0.06%	-	-
Shabbir Z. Dawud	42,803	0.08%	-	-
Sabbir Z. Kamal	15,03,693	2.82%	-	-
Hasan Kamal	1,04,400	0.20%	-	-
Faizal S. David	-	-	28,690	0.05%
Total	<u>1,62,07,580</u>	<u>28.69%</u>	<u>1,62,07,580</u>	<u>32.24%</u>

* Including 1,300,000 shares jointly held with Tasneem A. Dawud (wife of Anwar S. David)

Promoter Name	As at 31 March 2026		As at 31 March 2025	
	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares
As at 31 March 2026				
Anwar S. David	1,33,36,320	-	1,33,36,320	24.99%
Zafiqur Kamal	11,04,261	-	11,04,261	2.06%
Tasneem A. Dukat	30,803	-	30,803	0.06%
Shabbir Z. Dawud	42,803	-	42,803	0.08%
Sabbir Z. Kamal	15,03,693	-	15,03,693	2.82%
Hasan Kamal	1,04,400	-	1,04,400	0.20%
Faizal S. David	-	28,690	28,690	0.05%
Total	1,62,07,580	28,690	1,62,07,580	32.24%
As at 31 March 2025				
Anwar S. David	1,33,36,320	-	1,33,36,320	27.37%
Zafiqur Kamal	11,04,261	-	11,04,261	2.45%
Tasneem A. Dukat	30,803	-	30,803	0.08%
Shabbir Z. Dawud	42,803	-	42,000	0.09%
Sabbir Z. Kamal	15,03,693	-	15,03,000	3.08%
Hasan Kamal	1,04,400	-	1,04,400	0.21%
Total	1,62,07,580	-	1,62,07,580	32.24%



17		As at	As at
		31 March 2024	31 March 2025
		Rs. In lakhs	Rs. In lakhs
	Other equity		
	Securities premium	3,014.02	802.98
	General reserve	166.20	166.20
	Reserve for earnings	17,379.62	10,605.83
	Deemed equity contribution from shareholder	2,140.24	2,140.24
	Share options outstanding reserve	243.44	135.40
	Foreign currency translation reserve	481.01	280.02
	Total	38,265.33	36,351.17
	Securities premium		
	Balance as at the beginning of the year	802.98	802.98
	Additions during the year on preferential issue of equity shares	3,014.02	-
	Additions during the year on exercise of stock options (Refer note 4.7)	12.21	-
	Utilisation during the year for transaction cost of preferential issue of equity shares	(24.19)	-
	Balance at the end of the year	3,814.02	802.98
	Nature and Purpose - Securities premium is used to record the premium received on issue of equity shares and is subject to the provisions of the Companies Act, 2013.		
	General reserve		
	Balance as at the beginning of the year	166.20	166.20
	Additions during the year	-	-
	Utilisation during the year	-	-
	Balance at the end of the year	166.20	166.20
	Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer in general reserve is not required under the Companies Act, 2013.		
	Reserve for earnings		
	Balance as at the beginning of the year	18,905.05	15,713.15
	Net profit for the year	683.81	1,214.52
	Other comprehensive income	(9.57)	(53.83)
	Net surplus in the Statement of Profit and Loss	17,579.29	16,873.84
	Nature and Purpose - Reserve for earnings represents the amount of accumulated earnings of the Group.		
	Deemed equity contribution from shareholder		
	Balance as at the beginning of the year	2,140.24	2,140.24
	Transaction during the year	-	-
	Balance as at the end of the year	2,140.24	2,140.24
	Nature and Purpose - The difference between the fair value of these receivable proceeds from shareholder and the transaction price is recognised as a credit to the 'Deemed equity contribution from shareholder (deemed equity)' in FY 2024-25 in accordance with the guidance under Ind AS 1 - Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company) shall be recognised under Equity.		
	Share options outstanding reserve		
	Balance at the beginning of the year	135.40	135.40
	Add: Additions during the year	413.49	135.40
	Less: To securities premium account on exercise of stock options	(15.45)	-
	Balance at the end of the year	243.44	135.40
	Nature and Purpose - Employee Stock Options represents the grant date fair value of options granted to employees under Employee Stock Option Scheme.		
	Foreign currency translation reserve		
	Balance as at the beginning of the year	280.02	289.43
	Movement during the year	220.49	51.05
	Balance as at the end of the year	481.01	280.02
	Nature and Purpose - Foreign currency translation reserve represents the exchange differences on translation of reporting currency for foreign subsidiaries into the Company's presentation currency.		

RB-



	As at 31 March 2026	As at 31 March 2025
	Rs. in lakhs	Rs. in lakhs
18 Borrowings (non-current)		
Secured		
Term Loans from banks	4,724.05	5,565.04
From Non-Banking Financial Company (NBFC)	1,245.11	369.87
	6,069.17	5,934.91
	(1,810.34)	(1,928.61)
	4,198.83	4,006.30

Nature of security and terms of repayment for secured borrowings

(i) Loan from banks and NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on sum passu basis with less than 5 other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

(ii)

Indian rupee loan from banks

Bank of India
(Repayment start from February 2022 and last instalment in January 2026)

Bank of India
(Repayment start from May 2022 and last instalment in April 2026)

Bank of India
(Repayment start from November 2023 and last instalment in October 2027)

Bank of India
(Repayment start from January 2023 and last instalment in June 2026)

Bank of India
(Repayment start from August 2024 and last instalment in July 2029)

Bank of India
(Repayment start from September 2023 and last instalment in August 2026)

Bank of India
(Repayment start from December 2025 and last instalment in November 2028)

SVC Co-Operative Bank Limited,
(Repayment start from February 2024 and last instalment in January 2028)

SVC Co-Operative Bank Limited,
(Repayment start from May 2024 and last instalment in April 2029)

SVC Co-Operative Bank Limited,
(Repayment start from June 2023 and last instalment in November 2025)

SVC Co-Operative Bank Limited,
(Repayment start from January 2021 and last instalment in December 2023)

Indus Ind Bank Limited,
(Repayment start from July 2024 and last instalment in June 2028)

Indian rupee loan from Non-Banking Financial Company (NBFC)
Taxi Capital Financial Services Limited
(Repayment start from April 2023 and last instalment in March 2028)

Taxi Capital Financial Services Limited
(Repayment start from April 2023 and last instalment in September 2025)

Taxi Capital Financial Services Limited
(Repayment start from October 2025 and last instalment in September 2030)

Taxi Capital Financial Services Limited
(Repayment start from October 2025 and last instalment in September 2029)

Deferred expense towards processing fee is rolled off against cash

	As at 31 March 2026		As at 31 March 2025		
	Principal (Rs. in lakhs)	Effective interest rate in %	Principal (Rs. in lakhs)	Effective interest rate in %	Repayment terms
	-	-	140.18	1 Year RFR + 1% (8.75%)	Repayable in 48 equated monthly instalments of Rs. 13.52 lakhs
	15.20	1 Year RBLR + 1% (9.10%)	126.98	1 Year RBLR + 1% (8.75%)	Repayable in 48 equated monthly instalments of Rs. 0.50 lakhs
	128.40	1 Year RBLR + 1% (9.10%)	194.77	1 Year RBLR + 1% (9.25%)	Repayable in 48 equated monthly instalments of Rs. 8.79 lakhs
	97.32	1 Year RBLR + 0.65% (8.95%)	405.85	1 Year RBLR + 0.93% (9.65%)	Repayable in 42 equated monthly instalments of Rs. 27.78 lakhs
	566.87	1 Year RBLR + 0.65% (9.05%)	736.67	1 Year RBLR + 0.93% (9.65%)	Repayable in 50 equated monthly instalments of Rs. 14.17 lakhs
	41.57	1 Year RBLR + 0.65% (8.95%)	141.57	1 Year RBLR + 0.52% (9.05%)	Repayable in 36 equated monthly instalments of Rs. 8.33 lakhs
	450.23	1 Year RBLR + 0.65% (8.95%)	379.60	1 Year RBLR + 0.80% (9.55%)	Repayable in 60 equated monthly instalments of Rs. 27.84 lakhs
	512.08	PLR minus 4.85% (8.78%)	389.57	PLR minus 11.25% (9.25%)	Repayable in 48 equated monthly instalments of Rs. 11.46 lakhs
	673.32	PLR minus 4.00% (9.90%)	1,093.32	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly instalments of Rs. 21.87 lakhs
	-	-	52.23	PLR minus 12.70% (10.59%)	Repayable in 30 equated monthly instalments of Rs. 6.07 lakhs
	1,261.72	PLR minus 4.40% (8.60%)	1,355.75	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly instalments of Rs. 26.67 lakhs
	1,182.52	Repo Rate (8.50%)	717.02	3 Month CD Rate (9.28%)	Repayable in 60 equated monthly instalments of Rs. 22.59 lakhs
	700.00	LTPLR plus 1.75% (10.50%)	300.00	LTLR minus 10.87% (10.95%)	Repayable in 60 equated monthly instalments of Rs. 8.33 lakhs
	-	-	59.59	LTLR minus 10.80% (10.95%)	Repayable in 30 equated monthly instalments of Rs. 16.66 lakhs
	750.00	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly instalments of Rs. 20.83 lakhs
	437.50	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly instalments of Rs. 12.42 lakhs
	(149.76)	-	(175.09)	-	-
	6,069.17		6,058.71		

Assets Pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings of the Company are:

Non-current assets

• Property, plant and equipment (including leasehold land but excluding other right of use assets)
Current assets

Total assets Pledged as security

19

Lease liabilities (non-current)
Liabilities (Refer Note 42)

	As at 31 March 2026	As at 31 March 2025
	Rs. in lakhs	Rs. in lakhs
Non-current assets	15,257.01	15,255.19
Current assets	25,243.13	21,834.71
	40,500.14	37,089.90
	83.20	206.97
	83.20	206.97



20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

(Rs. in lakhs)

Movement during the year ended 31 March 2026	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2026
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1,223.97	76.50	-	1,300.47
	<u>1,223.97</u>	<u>76.50</u>	<u>-</u>	<u>1,300.47</u>
Deferred tax assets				
Expense/charge to the statement of profit and loss in the current year but allowed for tax on basis of payment basis	124.07	135.34	-	259.41
Loss allowance - trade receivables	23.28	(6.76)	-	16.52
Provision for employee benefits	15.12	16.64	4.03	35.79
Right of use assets and lease liabilities (net)	(84.90)	16.32	-	(68.58)
	<u>93.57</u>	<u>163.54</u>	<u>4.03</u>	<u>261.14</u>
Deferred tax liabilities (net)	<u>1,130.40</u>	<u>142.04</u>	<u>(4.03)</u>	<u>1,268.33</u>

(Rs. in lakhs)

Movement during the year ended 31 March 2025	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2025
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1131.48	92.40	-	1,223.97
	<u>1,131.48</u>	<u>92.40</u>	<u>-</u>	<u>1,223.97</u>
Deferred tax assets				
Expense/charge to the statement of profit and loss in the current year but allowed for tax on basis of payment basis	124.07	108.20	-	232.27
Loss allowance - trade receivables	44.74	(20.95)	-	23.79
Provision for employee benefits	19.56	(29.67)	22.11	12.00
Right of use assets and lease liabilities (net)	47.70	(116.30)	-	(68.60)
	<u>121.39</u>	<u>(49.62)</u>	<u>22.11</u>	<u>93.88</u>
Deferred tax liabilities (net)	<u>1,010.09</u>	<u>142.02</u>	<u>(22.11)</u>	<u>1,130.00</u>

20(A) Deferred tax assets (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

(Rs. in lakhs)

Movement during the year ended 31 March 2026	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2026
Deferred tax assets				
Carry forward business losses/accelerated depreciation	0.10	(0.10)	-	-
Provision for employee benefits	24.96	29.93	-	54.89
	<u>25.06</u>	<u>29.83</u>	<u>-</u>	<u>54.89</u>
Minimum alternative tax credit entitlement (utilisable)	0.03	0.06	-	0.09
Deferred tax assets (net)	<u>25.09</u>	<u>29.89</u>	<u>-</u>	<u>54.97</u>

(Rs. in lakhs)

Movement during the year ended 31 March 2025	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2025
Deferred tax assets				
Carry forward business losses/accelerated depreciation	-	0.10	-	0.10
Provision for employee benefits	-	24.96	-	24.96
	<u>-</u>	<u>25.06</u>	<u>-</u>	<u>25.06</u>
Minimum alternative tax credit entitlement (utilisable)	-	0.03	-	0.03
Deferred tax assets (net)	<u>-</u>	<u>25.09</u>	<u>-</u>	<u>25.09</u>

21 Short-term borrowings

Secured

Finance leases payable on demand - Cash against working stock

	As at 31 March 2026	As at 31 March 2025
	(Rs. in lakhs)	(Rs. in lakhs)
Finance leases payable on demand - Cash against working stock	5,962.75	5,746.07
Unsecured		
From approved financial institutions	250.21	-
Current trade payables/short-term borrowings (Refer note 15)	1,110.54	1,628.61
Interest accrued but not due on borrowings	70.29	11.77
	<u>8,193.79</u>	<u>7,386.45</u>

Cash credit banking credit from banks are secured by charge on all current assets both present and future and needs of equipment of the property, plant and equipment of the Company both present and future on pari passu basis with all members of our consortium. The loans are sanctioned by personal guarantee of Managing Director.

Supplier finance arrangement of the Company is undertaken by finance provider offering to pay all outstanding bills to suppliers and the entity agreeing to pay according to the terms and conditions of the arrangement at a later date than suppliers are paid. The arrangement provides timely/uninterrupted payment terms to expand the related inventory payment due date. The range of payment due dates are 93-110 days.

22 Lease liabilities (current)

Lease liabilities (Refer note 42)

	As at 31 March 2026	As at 31 March 2025
	(Rs. in lakhs)	(Rs. in lakhs)
Lease liabilities (Refer note 42)	274.50	256.45
	<u>274.50</u>	<u>256.45</u>



	As at					
	31 March 2026	31 March 2025				
	Rs. In lakhs	Rs. In lakhs				
21 Trade payables						
Due to micro enterprises and small enterprises (Refer note below)	847.20	668.46				
Due to creditors other than micro enterprises and small enterprises (Refer note 43)	6,445.88	6,789.12				
	<u>7,293.08</u>	<u>7,457.58</u>				
Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006						
a. The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year						
- Principal amount due to micro and small enterprises	847.20	668.46				
- Interest due on above	-	-				
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amount of its payment made to	-	-				
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the	-	-				
d. The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-				
e. The amount of further interest remaining due and payable over in the succeeding years, until such date when the interest dues above are actually paid to the smaller enterprise, for the	-	-				
purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	-	-				
Note: This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Group						
Ageing of Trade payables						
	(Rs. In lakhs)					
	Outstanding for following periods from due date of payment					
	Net due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026						
Total outstanding dues of micro enterprises and small enterprises	165.95	661.25	-	-	-	827.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,471.05	1,752.61	219.27	1.85	-	6,445.88
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	4,657.88	2,414.16	219.27	1.85	-	7,293.08
As at 31 March 2025						
Total outstanding dues of micro enterprises and small enterprises	400.55	267.91	-	-	-	668.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,336.10	1,844.58	1.85	-	-	6,182.53
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	4,295.72	2,151.97	1.85	-	-	6,449.54
24 Other financial liabilities (current)						
Unclaimed dividend**	3.08	4.73				
Employee related liabilities	628.59	568.76				
Payable for capital expenditure**	395.40	472.29				
	<u>1,027.07</u>	<u>1,110.35</u>				
25 Other current liabilities						
Advances received from customers	1,645.52	317.03				
Statutory dues	274.73	257.15				
Others	-	38.52				
	<u>1,920.25</u>	<u>612.70</u>				
26 Provisions						
Provision for employee benefits	85.04	67.93				
Provision for compensated absence	85.04	67.93				

* During the year unpaid dividend amount of Rs. 31 lakhs (pertaining to FY 2017-18) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act 2013.

** Includes payable to micro enterprises and small enterprises: Rs. 366.89 lakhs (31 March 2025 - Rs. 104.27 lakhs)



	Year ended 31 March 2026 Rs. In lakhs	Year ended 31 March 2025 Rs. In lakhs
27 Revenue from operations		
Sale of products		
Manufactured goods	35,454.39	34,766.35
Stock in trade	549.00	1,522.33
	36,004.39	36,288.68
Other operating revenue		
Product service income	912.04	1,080.87
Export incentives	516.64	490.98
Others (including asset sale etc.)	7.14	42.59
	1,435.82	1,614.42
	37,440.01	37,903.10

A Disclosure as per Ind AS 115

The operations of the Group are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Group has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Group is not significant.

There are no significant variable components such as discounts, rebates, sales returns etc.

B Disaggregation of revenue:

Nature of segment	Year ended 31 March 2026 Rs. In lakhs	Year ended 31 March 2025 Rs. In lakhs
A. Major Product/Service line:		
- Sale of pharmaceutical goods	36,004.19	36,288.68
- Product service income	912.04	1,080.87
- Others (Export incentives, others, etc.)	523.78	533.55
Total revenue from contracts with customers	37,440.01	37,903.10
B. Primary geographical market:		
- In India	5,944.28	6,656.94
- Outside India	31,495.73	31,246.16
Total revenue from contracts with customers	37,440.01	37,903.10
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	37,440.01	37,903.10
- Goods/services transferred over time	-	-
Total revenue from contracts with customers	37,440.01	37,903.10

C Contract Balances

Significant changes in contract liabilities balances are as follows:

Contract Liabilities**Advance received from customers (Refer note 25)**

Opening Balance	317.03	945.05
Add: Advance received during the year	7,742.93	5,965.44
Less: Revenue recognised/adjustment during the year	6,414.34	6,493.46
Less: Advance returned during the year	-	-
Closing balance	1,645.52	317.03

The contract liabilities primarily relate to the advance consideration received from customers for the sale of goods. This amount will be recognised as revenue within a period of one year.

28 Other income

Interest income on financial assets measured at amortised cost

- Fixed deposits	16.35	5.11
- Others (including interest income on utility deposits , security deposits etc.)	16.29	27.40
Dividend income on investments	0.75	0.75
Foreign exchange gain (net)	767.85	414.44
Reversal of loss allowance - Trade receivables (Refer note no 35 (B))	23.20	71.97
Profit on sales of assets	255.19	33.51
Other non-operating income (includes liabilities no longer required written back etc.)	58.67	25.23
	1,138.30	578.41

29 Cost of materials consumed

Opening inventory	5,668.08	4,966.52
Add: Purchases	16,585.61	16,201.94
Less: Closing inventory	6,848.91	5,668.08
	16,404.76	15,500.40

30 Purchase of stock in trade

	748.83	1,157.82
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31 Changes in inventories of finished goods and work-in-progress

At the end of the year

Work-in-progress	537.99	745.21
Finished goods	2,843.66	2,022.32
	3,381.67	2,767.53

At the beginning of the year

Work-in-progress	745.21	197.17
Finished goods	2,022.32	2,697.01
	2,767.53	2,894.18
	(614.14)	126.65

RB



	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
32 Employee benefits expense		
Salaries, wages and bonus	5,561.35	5,446.02
Contribution to provident and other funds (Refer note 45(a))	208.03	189.49
Equity settled share based payments to employees (Refer note 47)	113.49	135.40
Gratuity expense (Refer note 45)	75.31	69.60
Staff welfare expenses	332.20	235.47
	6,300.38	6,076.99
33 Finance costs		
Interest costs		
on borrowings	1,123.43	926.84
on lease liabilities (Refer note 42)	52.27	77.49
on supplier finance arrangements	6.89	-
Interest on delayed payment of income tax	25.02	20.25
Other borrowing costs (including ancillary costs to borrowings)	112.62	114.14
	1,320.23	1,138.82
34 Depreciation and amortisation expense		
Depreciation on property, plant and equipment (Refer note 3)	1,718.82	1,825.59
Amortisation of intangible assets (Refer note 5 (A))	278.96	185.75
	1,997.80	2,011.34
35 Other expenses		
Consumption of stores and spares	97.61	89.10
Power and fuel	1,796.63	1,719.69
Water charges	20.32	19.37
Insurance	104.87	67.54
Repairs and maintenance		
Machines	519.45	416.80
Buildings	220.06	41.38
Others	418.21	336.94
Contract labour	2,592.31	2,529.68
Printing & stationery	54.20	41.38
Communication costs	53.85	52.14
Legal and professional fees	1,308.01	1,206.24
Payment to auditors (Refer note below (a))	66.12	83.70
Advertisement & sales promotion	262.86	253.92
Travelling and conveyance	594.58	540.26
Commission on sales	1,308.11	1,261.00
Freight and forwarding charges	860.46	886.66
Bad debts written off	78.11	212.71
Rates and taxes	84.21	15.34
Property, plant and equipment written off	3.51	13.71
Rent (Refer note 42)	39.36	34.38
Laboratories Expenses	587.76	622.45
Corporate social responsibility expenses (Refer note 52)	53.49	49.53
Miscellaneous expenses (includes bank commission, factory expenses etc.)	386.98	385.59
	11,511.17	10,688.56
Note		
(a) Payment to auditors (of the Parent Company) (excluding taxes)		
For audit	60.00	51.75
For other services	3.50	10.00
For reimbursement of expenses	2.62	1.95
	66.12	63.70
36 Tax (expense)		
Current tax for the year (net of Minimum alternative tax utilisation Rs. Nil (31 March 2025 : Rs 30.74 lakhs))	(342.70)	(419.55)
Tax adjustments pertaining to earlier years	0.31	(47.86)
Deferred tax expenses		
Increase / (Decrease) in deferred tax assets	188.45	(2.43)
(Increase) in deferred tax liabilities	(78.50)	(52.49)
	108.96	(94.92)
	(233.44)	(562.33)
Tax (expense) / credit recognised in Statement of profit and loss	(237.47)	(584.44)
Tax (expense) / credit recognised in other comprehensive income	4.03	22.11
	(233.44)	(562.33)
Tax reconciliation		
Profit before tax	821.28	1,800.94
Tax at the rate of 29.12% (31 March 2025 : 29.12%)	(239.15)	(524.45)
Tax adjustment pertaining to earlier years	0.31	(47.86)
Tax effect of amounts which are mentioned below		
Income/(expenses) exempted from income taxes	1.31	13.22
Difference in tax rates for certain entities of the Group	(0.73)	0.72
Permanent Disallowances	(7.28)	(5.82)
Allowances / Disallowances under specific provisions of Income tax act, 1961 (net)	27.03	1.84
Disallowance of Donation/Corporate social responsibility expenses	(18.95)	(22.11)
	(237.47)	(584.44)



37 Fair value measurements

Financial instruments by category:

All financial assets and financial liabilities, except derivative instruments of the Group are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit and loss at each reporting date.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

Fair value for assets and liabilities measured at amortised cost	31 March 2026			31 March 2025			Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Financial liabilities							
Non-current borrowings (including current maturities)	-	6,069.17	-	-	5,958.71	-	5,958.71
Lease liabilities	-	-	357.50	-	-	563.40	563.40
Financial assets							
Non-current investment	-	-	5.00	-	-	5.00	5.00
Other financial assets	-	-	300.60	-	-	250.82	250.82

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables and other current financial liabilities are considered to be approximately equal to their fair value.

Valuation processes

The Group evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.



38 Financial risk management

The Group's financial risk management is an integral part of how to plan and execute its business strategies. The Group's financial risk management policy is set by the Risk Committee.

The Group is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and loans and borrowings.

The Group manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department is to manage risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliance with market risk limits and policies.

Market risk - Interest rate risk
 Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to minimize the Group's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Group, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysis is prepared assuming the impact of the facility outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when computing interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at 31 March 2025	As at 31 March 2024
Total borrowings	12,206.89	11,716.55
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax and Other Equity

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2025	Year ended 31 March 2024
50 bp increase would decrease the profit before tax by	(61.49)	(56.08)
50 bp decrease would increase the profit before tax by	61.49	56.08

Market risk - Foreign currency risk management

The Group operates internationally wherein portion of the business is transacted in several currencies and consequently the Group is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

(a) Particulars of unhedged foreign currency exposures as at the reporting date
 As at 31 March 2026

Particulars	USD		EURO		INR		AED		CAD		Foreign currency		(Amount in lakhs)	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	74.37	7,056.55	2.76	300.77	-	-	-	-	-	-	-	-	-	-
Trade payables	4.61	437.41	0.36	38.09	-	-	-	-	-	-	-	-	-	-
Advance received from customers	2.17	197.72	0.17	18.09	-	-	-	-	-	-	-	-	-	-
Balance in EFCD Account	0.00	0.04	-	-	-	-	-	-	-	-	-	-	-	-
FCFS and PFCFS	10.00	946.35	-	-	-	-	-	-	-	-	-	-	-	-
Export commitments	8.59	814.96	0.37	40.05	-	-	-	-	-	-	-	-	-	-



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Zim Laboratories Limited
 Financial Accounting Policy Information and other explanatory information to the consolidated financial statements for the year ended 31 March 2025

As at 31 March 2025

Particulars	USD		EUR		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivables	80,49	6,881.05	4.81	432.26	0.82	18.31	0.66	73.48		
Trade payables	13.16	1,124.82	0.37	33.73	3.0*	2.96				
Amounts received from customers	2.72	235.07	-	-	-	-	-	-	-	-
Balance in EEFC Account	0.29	24.50	-	-	-	-	-	-	-	-
PCFC and PFCC	8.54	730.16	-	-	-	-	-	-	-	-
Bank commission	5.04	516.81	0.53	86.04	-	-	-	-	-	-

Sensitivity to foreign currency risk (Rs. in lakhs)

Particulars	Impact on profit before tax and Other Equity	
	Year ended 31 March 2025	Year ended 31 March 2024
USD sensitivity		
INR : USD	233.03	214.94
Increase by 5%	(335.09)	(214.94)
Decrease by 5%		
EUR sensitivity		
INR : EUR	10.14	16.64
Increase by 5%	(10.14)	(16.64)
Decrease by 5%		
AED sensitivity		
INR : AED	(0.21)	(1.09)
Increase by 5%	0.21	1.09
Decrease by 5%		
CAD sensitivity		
INR : CAD	(0.07)	0.95
Increase by 5%	0.07	(0.95)
Decrease by 5%		
GBP sensitivity		
INR : GBP	1.89	3.57
Increase by 5%	(1.89)	(3.57)
Decrease by 5%		

B Credit risk
 The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there has been a significant increase in credit risk, the Group compares the risk of default at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:
 (i) Actual or expected significant adverse changes in business;
 (ii) Actual or expected significant adverse changes in the operating results of the counterparty;
 (iii) Financial or economic conditions that are expected to cause a significant change in the counterparty's ability to meet its obligations;
 (iv) Significant increase in credit risk on other financial instruments of the same counterparty;
 (v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.
 The provision under IAS 109 will be referred to significant increase in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Group. As the Group is able to collect a significant portion of its receivables that exceed the due date and the receivables past due by 30 days are considered as a significant increase in credit risk.
 Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans or receivables have been written off, the Group continues to engage in collection activities in order to recover the due. Where receivables are written off, there are no recognized as income in the statement of profit and loss.

Credit risk management
 To manage credit risk, the Group periodically assesses the financial stability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical data and the ageing of receivables. There is no significant concentration of credit risk.
 Bank balances are held with only high rated banks and majority of security deposits are placed majority with government agencies. Trade receivables are generally recovered within 120 credit period. The Group maintains the expected credit loss of trade receivables and from other individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss allowances are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivables and past trends. Based on the historical data, loss on collection of receivables and past trends. Based on the historical data, loss on collection of receivables and past trends.



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Aging of Trade receivables

	As at 31 March 2025	0-12 months	1-2 years	2-3 years	more than 3 years	(Rs. in lakhs)	
						Total	Impairment
Gross Carrying amount of - trade receivables	7,424.30	3,390.37	110.62	5.11	21.58	10,962.58	-
Gross Carrying amount of - contract assets	-	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.12%	0.42%	29.25%	67.84%	-	-
Expected credit loss - trade receivables	0.71	3.94	0.50	1.50	14.54	21.24	-
Expected credit impairment - trade receivables	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	7,423.59	3,386.43	61.62	3.61	5.54	10,941.80	-
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-	-	-
Gross Carrying amount of - trade receivables	8,202.00	2,455.00	32.55	51.55	29.25	10,772.01	-
Gross Carrying amount of - contract assets	-	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.10%	0.15%	0.80%	100.00%	-	-
Expected credit loss - trade receivables	1.16	2.39	0.79	0.41	29.25	33.90	-
Expected credit impairment - trade receivables	-	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	8,200.84	2,452.61	31.88	5.07	29.25	10,738.03	-
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk

Reconciliation of expected credit loss of trade receivables

	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2025
Balance at the beginning of the year	78.90	51.55
Assessments	28.50	37.18
Reversals	(51.70)	(1.90)
Business at the end of the year	55.70	71.57
		78.59

Liquidity risk

Liquidity risk is defined as the risk that the Group will not be able to fulfil or meet its obligations as they fall due. For the Group, liquidity risk arises from obligations on account of financial liabilities - borrowings, trade payables, lease liabilities, etc. or financial liabilities.

Liquidity risk management
The Group's treasury department is responsible for liquidity and funding as well as settlement management. The treasury and finance departments monitor the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturity of non - derivative financial liabilities

As at 31 March 2025	Particulars	(Rs. in lakhs)		
		0 month to 1 year	Between 1 and 5 years	Beyond 5 years
	Non-current borrowings (including current maturities) (non-discounted)	2,485.55	4,973.14	7,377.09
	Current borrowings	5,285.73	-	5,285.73
	Interest accrued but not due on borrowings	6.25	-	15.26
	Trade payables	7,292.58	-	7,292.88
	Lease liabilities (non-discounted)	313.87	90.69	404.56
	Other current financial liabilities	1,052.55	-	1,052.55
	Total	17,153.37	4,963.83	22,117.21

As at 31 March 2024

Particulars	(Rs. in lakhs)		
	0 month to 1 year	Between 1 and 5 years	Beyond 5 years
Non-current borrowings (including current maturities) (non-discounted)	2,444.33	4,822.65	7,267.18
Current borrowings	5,245.07	-	5,245.07
Interest accrued but not due on borrowings	11.77	-	11.77
Trade payables	6,951.56	-	6,951.56
Lease liabilities (non-discounted)	494.10	404.57	898.67
Other current financial liabilities	1,170.38	-	1,170.38
Total	16,317.21	5,227.22	21,544.43



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ZIM Laboratories Limited
Material asset, liability, information and other supplementary information to the consolidated financial statements for the year ended 31 March 2026.

33 Capital management

Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to manage or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders.

The Company has complied with financial covenants.

The capital composition is as follows:

	As at 31 March 2025 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Net debt	5,786.20	11,021.89
Total equity	29,615.41	25,223.82
Net debt to equity ratio	33%	44%

Includes non-current borrowings (including current maturities), current borrowings and interest accrued but not due on borrowings (net of cash and cash equivalents).

40 Changes in liabilities arising from financing activities

	As at 31 March 2025 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Cash and cash equivalents	2,512.19	982.90
Net current borrowings	(8,089.17)	(5,358.71)
Current borrowings	(6,212.96)	(5,246.07)
Lease liabilities	(357.50)	(683.60)
Interest accrued but not due on borrowings	(10.53)	(111.77)
NET DEBT	(10,103.07)	(11,088.25)

	As at 31 March 2025 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Net as at 01 April 2024	360.02	1,027.37
Cash flows (net)	(765.36)	(13.98)
Adjustments on account of financial liabilities measured at amortised cost	(930.36)	349.16
Exchange differences	66.99	(379.43)
Finance cost expenses	-	5.24
Finance cost paid	-	(1,138.82)
Net as at 31 March 2025	(6,958.73)	1,441.03
Net as at 01 April 2024	1,693.11	1,693.11
Adjustments on account of financial liabilities measured at amortised cost	(934.00)	(934.00)
Exchange differences	(26.74)	(107.98)
Finance cost expenses	-	(32.81)
Finance cost paid	-	(1,320.23)
Net as at 31 March 2025	(16,285.17)	1,315.74
Total	(15,261)	(10,143.20)

41 Subsidiaries controlled in the consolidated financial statements for the year ended 31 March 2025

Sr. No	Names of the Subsidiaries	Principal place of business and country of incorporation	Proportion of ownership interest
1	ZIM Laboratories FZE	UAE	100.00%
2	ZIM Health Technologies Limited	INDIA	100.00%
3	ZIM Laboratories Limited	INDIA	100.00%
4	ZIM Thiorials Private Limited	INDIA	100.00%
5	ZIM PTAS PTY Limited	AUSTRALIA	99.99%
6	ZIM Laboratories Middle East DMCC (up to 23 February 2025)*	UAE	70.00%
7	ZIM Scientifics Africa LLC (up to 15 September 2025)**	UAE	100.00%

* During the year ZIM Laboratories Middle East DMCC, a wholly owned subsidiary incorporated with Dubai Multi Commodities Centre Authority (DMCC) has been liquidated effective 23 February 2025.

** This has been completed with ZIM Laboratories FZE to be its a wholly owned subsidiary of ZIM Laboratories FZE.



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Statement pursuant to details to be furnished for subsidiaries as prescribed by Companies Act, 2013

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income:		Share in total Comprehensive Income	
	As % of consolidated net assets	(Rs. in lakhs)	As % of consolidated profit or loss	(Rs. in lakhs)	As % of other Comprehensive Income	(Rs. in lakhs)	As % of total Comprehensive Income	(Rs. in lakhs)
Parent: ZIM Laboratories Limited	96.85%	29,615.21	102.18%	596.52	-4.66%	(9.82)	73.85%	586.70
Foreign subsidiaries	6.54%	1,996.11	23.56%	137.54	73.84%	135.65	36.90%	293.19
ZIM Laboratories FZE	1.30%	385.46	-16.43%	(95.94)	26.05%	34.87	-5.17%	(41.07)
SIA ZIM Laboratories Limited	0.44%	129.54	-6.17%	(37.16)	4.75%	9.97	-3.42%	(27.19)
ZIMTAS PTY Limited	0.89%	262.72	-2.99%	(7.44)	-	-	-2.20%	(17.44)
Indian subsidiaries:	0.03%	10.02	0.38%	0.31	-	-	0.04%	0.31
ZIM Health Technologies Limited	-5.89%	(11,743.65)	0.20%	(0.02)	-	-	0.00%	(0.02)
ZIM Thermales Private Limited	100.00%	29,615.41	100.00%	583.81	100.00%	210.67	100.00%	794.48
TOTAL:	100.00%	29,615.41	100.00%	583.81	100.00%	210.67	100.00%	794.48
Attributable to Owners	100.00%	29,615.36	100.00%	583.81	100.00%	210.67	100.00%	794.48
Non-controlling interest	0.00%	0.05	0.00%	-	0.00%	-	0.00%	-
Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss		Share in other Comprehensive Income		Share in total Comprehensive Income	
	As % of consolidated net assets	(Rs. in lakhs)	As % of consolidated profit or loss	(Rs. in lakhs)	As % of other Comprehensive Income	(Rs. in lakhs)	As % of total Comprehensive Income	(Rs. in lakhs)
Parent: ZIM Laboratories Limited	96.94%	24,451.36	96.54%	1,174.30	1957.82%	(53.84)	92.32%	1,120.56
Foreign subsidiaries	6.51%	1,642.90	9.65%	117.41	-1979.10%	34.40	14.16%	171.81
ZIM Laboratories FZE	0.53%	134.78	-5.39%	(65.60)	54.10%	(1.49)	-5.53%	(67.08)
SIA ZIM Laboratories Limited	0.27%	57.27	-0.27%	(3.32)	05.10%	(1.82)	-0.42%	(5.14)
ZIMTAS PTY Limited	0.79%	199.70	-0.55%	(6.73)	0.00%	-	-0.55%	(6.73)
Indian subsidiaries:	0.04%	9.71	0.13%	0.31	0.00%	-	0.03%	0.31
ZIM Health Technologies Limited	-5.08%	(1,261.84)	-	0.02	0.00%	0.00	0.00%	0.02
ZIM Thermales Private Limited	100.00%	25,223.80	100.00%	1,216.50	100.00%	(2.75)	100.00%	1,213.75
TOTAL:	100.00%	25,223.80	100.00%	1,216.52	100.00%	(2.75)	100.00%	1,213.77
Attributable to Owners	100.00%	25,223.75	100.00%	1,216.52	100.00%	(2.75)	100.00%	1,213.77
Non-controlling interest	0.00%	0.05	0.00%	(0.02)	0.00%	-	0.00%	(0.02)



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ZIM Laboratories Limited
 Material accounting policy information and other explanatory information to the consolidated financial statements for the year ended 31 March 2026

47 Leases

Particulars	As at 31 March 2026	As at 31 March 2025
Right of use Assets (Refer note 31)		
Leasehold Land	128.12	1067.26
Other Right of use Assets	83.24	103.62
Buildings	297.08	519.33
Furniture and equipment	360.37	822.95
	1,868.81	1,590.23
Leases liabilities		
Current (Refer note 22)	274.30	356.43
Non-current (Refer note 15)	83.30	206.97
	357.60	563.40

* There are no lease liabilities in respect of the leasehold land as the right of use asset has been paid upfront on the date of the execution of the lease agreement with respective authorities.

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation charge on (Refer note 3)		
Leasehold Land	14.27	12.88
Other Right of use Assets	88.37	71.06
Buildings	372.39	379.07
Furniture and equipment	460.76	441.33
	475.83	454.07
Interest expense included in finance cost (Refer note 23)	52.27	77.49
Expense relating to short-term leases (Refer note 25)	39.30	34.39
Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding i.e. 1 year leases)	393.69	358.15
Additions to the right of use assets during the current financial year	646.04	911.61



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43 Related Party Disclosures

As per Ind AS 24 'Related Party Disclosures' disclosure of transactions, balances and guarantees with the related parties as defined in the Indian Accounting Standard are given below.

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control) :

(i) Key Managerial Personnel	Nature of relationship
Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfikar Kamal	Director (Finance)
Mr. Niraj Chhadwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shinde	Independent Director
Dr. Kakasabhai Mahadik (upto 31 March 2025)	Independent Director
Mr. Ashok Bhatia (w.e.f. 01 April 2025)	Independent Director
Mr. Piyush Nikhade	Company Secretary & Compliance Officer
Mr. Shyam Mohan Patro	Chief Financial Officer
(ii) Key Managerial Personnel: Wholly owned subsidiary companies	
Dr. Chandrashekhar Mande	Executive Director and Chief Executive Officer (ZIM Health Technologies Limited, India)
Mrs. Payal Moolchandani (from 10 October 2025)	Director (ZIMTAS PTY Limited, Australia)
Mrs. Rashida Daud	General Manager (ZIM Laboratories FZE, UAE)
(iii) Related Parties: Wholly owned subsidiary companies	
Pactira Financial Services LLP, India	Partnership LLP in which director of ZIM Health Technologies Limited, India is a Partner
Mr. Girchar Bawani (w.e.f. 10 October 2025)	Father of Director of ZIMTAS PTY Limited, Australia
(iv) Other significant influences	
Elizabeth Mathew (upto 31 November 2025)	Shareholder exercising significant influence
Elmath Advisors Private Limited (w.e.f. 11 November 2025)	Shareholder exercising significant influence
Zavin Vail (upto 13 March 2025)	Shareholder exercising significant influence

B. Nature of transactions:

	Year ended 31 March 2025 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
1) Remuneration*		
Dr. Anwar S. Daud	154.08	146.74
Mr. Zulfikar Kamal	130.91	119.80
Mr. Niraj Chhadwal	95.61	100.23
Mr. Prakash Sapkal	94.34	109.64
Mr. Piyush Nikhade	52.37	43.14
Mr. Shyam Mohan Patro	90.79	81.05
Dr. Chandrashekhar Mande	264.00	120.00
Mrs. Rashida Daud	17.42	16.59
Mrs. Payal Moolchandani	2.67	-
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shinde	7.00	7.00
Dr. Kakasabhai Mahadik	-	7.00
Mr. Ashok Bhatia	20.00	-
3) Professional fees (expenses)		
Pactira Financial Services LLP, India	70.00	72.00
Mr. Girchar Bawani (w.e.f. 10 October 2025)	6.62	-
4) Rent paid		
Dr. Anwar S. Daud	29.25	28.45
Dr. Chandrashekhar Mande	24.60	6.00
5) Share Application Money received, shares were allotted during the year under ESOS		
Mr. Piyush Nikhade	2.82	-
Mr. Shyam Mohan Patro	3.10	-



	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
C. Balances outstanding at year end		
Advance for expenses to Key Managerial Personnel		
Dr. Chandrashekhar Mainde	-	0.34
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	8.02	6.34
Mr. Zulfiqar Kamal	8.32	5.80
Mr. Niraj Dhadiwal	4.38	3.94
Mr. Prakash Sapkal	3.43	1.61
Mr. Piyush Niknade	1.53	1.66
Mr. Shyam Mohan Patro	3.71	3.34
Dr. Chandrashekhar Mainde	22.38	-
Mrs. Rashida Daud	1.55	1.40
Mrs. Payal Moolchandani	1.10	-
Trade payable		
Dr. Anwar S. Daud	6.16	6.40
Mr. Padmakar Joshi	0.53	1.58
Mrs. Kavita Loya	0.68	2.03
Dr. Kamlesh Shandke	0.53	1.58
Dr. Kakasaheb Mahadik	-	1.58
Pachire Financial Services LLP, India	1.20	5.40
Dr. Chandrashekhar Mainde	2.38	2.16
Key Managerial Personnel' compensation	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
a) Short-term employee benefits	930.48	786.76
b) Post-employment benefits	14.91	10.23
Total compensation	945.39	786.99

* The remuneration to Key management personnel does not include provision for employee benefits determined on actuarial basis.

All the transactions stated above with related parties are on arm's length basis and in normal course of business.

All borrowings are guaranteed by the managing director of the Company (Refer notes 18 and 21).

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
44 Contingent liabilities and commitments		
(A) Contingent liabilities		
Income Tax Assessments for earlier years for disallowance of expenditure, pending in appeal	395.95	395.95
Input tax credit mismatch under GST, pending in appeal	28.73	-
Import Duty saved under the Advance License scheme considering export obligation to be fulfilled within the period allowed	585.07	57.89

Notes:

1. The Group does not expect any reimbursement in respect of the above contingent liabilities.

2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.

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	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
(B) Commitments		
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,100.09	1,117.88

45 Employee benefits

As per Indian Accounting Standard-19 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Employer's Contribution to Provident fund	141.08	146.02
Employer's Contribution to ESIC	8.61	8.52
Employer's Contribution to Labour welfare/other fund	3.22	2.52
Employer's Contribution to Pension fund	55.12	32.93
	208.03	189.99

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act, 1972 and Code on Wages, 2019. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service for permanent employees and one year of continuous service for fixed term employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy for permanent employees and unfunded for fixed term employees classified as part of "Contractual services".

Changes to Employee Benefits upon notification of Labour Codes

The Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"). These Labour Codes, which have become effective from 21 November 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also the Labour Codes have modified certain employee benefits and eligibility conditions in respect of those benefits. Accordingly, during the year, the Group has recognised past service cost on account of eligibility of fixed term employees under Gratuity benefits in the Statement of Profit and Loss and classified as part of "Contractual services".

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Mortality Tables		
Discount rate	7.23%	6.65%
Discount rate- fixed term employees	6.48%	-
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Withdrawal rate- fixed term employees	0.00%	-
Expected rate & return on Plan assets	7.23%	6.65%
Expected rate & return on Plan assets- fixed term employees	N.A.	-

Changes in the Fair value of Plan Assets

Present Value of Plan Assets at the beginning of the year	1,055.07	931.88
Interest Income	70.15	66.99
Employer's Contribution	12.96	54.45
Benefits Paid	-	-
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(2.22)	1.95
Fair Value of Plan Assets at the end of the year	1,135.99	1,055.07

Changes in the Present Value of Obligation

Present Value of Obligation at the beginning of the year	999.70	898.64
Current Service Cost	78.99	71.97
Interest Expenses on Cost	66.48	64.51
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	(28.25)	24.27
- experience variance (i.e. Actual experience vis assumptions)	39.87	53.63
Past Service Cost	41.90	-
Benefits Paid	(82.89)	(713.42)
Present Value of Obligation at the end of the year	1,106.00	999.70

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Amount recognised in the Balance Sheet		
Present Value of Obligation at the end of the year	1,106.00	999.70
Fair Value of Plan Assets at the end of the year	(1,135.95)	(1,055.07)
Net (Asset) recognised at the end of the year	(29.99)	(55.37)

Percentage of each category of plan assets to total fair value of plan assets as at year end:

Administered by Life Insurance Corporation of India	100.00%	100.00%
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	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Expenses recognised in the Statement of Profit and Loss		
Current service cost	70.99	71.97
Past service cost	41.00	-
Loss/ (gain) on settlement	-	-
Net interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(3.68)	(2.37)
Total expenses recognised in the Statement of Profit and Loss	117.21	69.60

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	11.63	77.90
Return on Plan Assets, excluding interest income	9.22	(1.85)
Actuarial (gain) / loss recognised in Other Comprehensive Income	13.85	76.05

	As at 31 March 2026	As at 31 March 2025
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years
Weighted average duration (based on discounted cash flows)- fixed term employees	2 years	-

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Expected cash flows over the next (valued on undiscounted basis) as follows :		
Year 1	182.44	181.45
Year 2	168.45	113.25
Year 3	138.93	116.39
Year 4	137.62	115.22
Year 5	127.86	115.52
Thereafter	871.57	813.10

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Defined Benefit Obligation (Base):	1,096.00	999.70

	Year ended 31 March 2026 Rs. in lakhs		Year ended 31 March 2025 Rs. in lakhs	
	Decrease	Increase	Decrease	Increase
Discount Rate (+/- 1%) (% change compared to base due to sensitivity)	50.16	(45.54)	48.63	(43.95)
Salary Growth Rate (+/- 1%) (% change compared to base due to sensitivity)	(42.19)	44.61	(41.11)	43.84
Attrition Rate (+/- 1%) (% change compared to base due to sensitivity)	(6.15)	5.48	(4.62)	4.09
	-0.6%	0.5%	-0.5%	0.4%

(c) Compensated absences

The Group's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and not charge to the Statement of Profit and Loss for the year under "Employee benefits expenses" is Rs. 228.76 lakhs (Previous Year: Rs. 205.89 lakhs) and under "Contractual services" is Rs. 3.15 lakhs (Previous Year: Rs. Nil)

46 Segment information

The Group is primarily engaged in the business of pharmaceuticals. The Group has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) and has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Group's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Group as defined by Ind AS 108 "Operating Segments".

Information about geographical areas are as under :

Particulars	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Revenue from operations *	3,944.28	31,495.73	37,440.01	6,656.94	31,246.16	37,903.10
Carrying amount of segment assets (non-current)**	21,976.52	3,978.06	25,954.58	20,719.87	3,006.23	23,726.10
Carrying amount of segment assets (current)**	14,149.84	9,091.60	23,232.44	13,989.52	8,904.39	22,873.91
Capital expenditure for the year	3,420.34	1,150.73	4,571.07	4,158.68	1,023.44	5,222.12
- Tangible	3,346.72	-	3,346.72	4,068.05	5.82	4,073.87
- Intangible	74.22	1,150.73	1,224.95	130.63	1,017.62	1,148.25

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2.1

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers (revenue equal to or more than 10 per cent of Group's revenue are as follows:

Customer	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
Customer A	-	6,082.57	6,082.57	-	3,730.89	3,730.89

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

**The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.

RR:



	31 March 2026	31 March 2025
	Rs. In lakhs	Rs. In lakhs
47 Share based payments		
Equity settled share based payments to employees	113.46	135.40
Share options outstanding reserve	243.44	135.40

Resolution passed by Nomination & Remuneration committee and Board at its meeting dated 23 December 2023 and the shareholders through postal ballot on 28 January 2024 had approved the 'ZIM Laboratories Employee Stock Option Scheme 2023' ('ESOS 2023' 'Scheme'), to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 994,404 (Nine Lakhs Ninety four Thousand Four Hundred and Four) employee stock options ('Options') to the eligible employees of the Company and/or its subsidiary companies exercisable in total more than 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) equity shares.

During the previous year, the Nomination and Remuneration Committee in its meeting held on 13 April 2024 granted 687,257 options to the eligible employees of the group at an exercise price of Rs 77.40. Remaining options of 307,147 are available in the ESOP Pool to be granted to the employees of the group.

I. The position of the ESOS of the Company as at 31 March 2026 is as under:

S.No.	Particulars	ESOS
1	Total number of stock options approved	9,94,404
2	Maximum term of Options granted (years)	2 years from date of last vesting or 6 years from the date of grant
3	Source of shares (Primary, Secondary or combination)	Primary
4	Variation in terms of options	No variation
5	Exercise Price per option	at a discount of 20% on market price on grant date (i.e. Rs 77.40)
6	The exercise period	Exercise anytime within two year from date of vesting
7	Weighted average exercise price* (Rs.)	77.40
8	Weighted average remaining life (in years)	1

*The Black Scholes valuation model has been used for computing weighted average fair value of option on grant date considering the following information:

Particulars	Particulars
1. Risk Free Interest Rate	7.01%
2. Expected Life (year)	4
3. Expected Volatility	55.79%
Dividend Yield	0.00%

II. Weighted average exercise price of Options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	77.40

III. Weighted average fair value of Options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	54.44

IV. The movement of stock options during the year ended 31 March 2026 are summarized below:

Particulars	Number of options
Options outstanding at the beginning of the year	6,87,257
Options forfeited / lapsed during the year	Nil
Options granted during the year	Nil
Options vested during the year	68,726
Options exercised during the year	10,000
Total number of shares arising as a result of exercise of options	10,000
Money realised by exercise of options	774000
Expired during the year	Nil
Options outstanding at the end of the year	6,77,257
Options exercisable at the end of the year	58,726

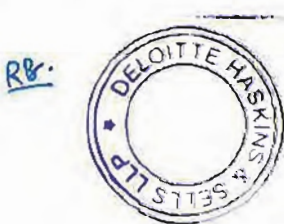
V. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2026 is as follows.

Grant Date	Number of options	Vesting Date	Exercise End Date	Exercise Price	Expected remaining contractual life
13 April 2024	68,726	14 April 2025	13 April 2027	77.40	1.04
13 April 2024	1,37,451	14 April 2026	13 April 2028	77.40	2.04
13 April 2024	2,06,177	14 April 2027	13 April 2029	77.40	3.04
13 April 2024	2,74,903	14 April 2028	13 April 2030	77.40	4.04

VI. Cash inflow on exercise of options and weighted average share price at the date of exercise: Not applicable, as options not due for exercise during the year.

VII. The estimates of future cash inflow that may be received upon exercise of options:

Particulars	(Rs. lakhs)	
	Year ended 31 March 2026	Year ended 31 March 2025
Within one year	106.39	93.19
Between two years to five years	372.36	478.75



	Year ended 31 March 2026	Year ended 31 March 2025
	Rs. in lakhs	Rs. in lakhs
48 Earnings per share		
I. Profit Computation for both Basic and Diluted Earnings per share: Net Profit attributable to equity share holders	583.81	1,216.52
II. Computation of weighted average number of equity shares : Weighted average number of equity shares in calculating basic EPS Weighted average number of equity shares in calculating diluted EPS	4,89,79,144 4,89,79,144	4,87,25,814 4,87,25,814
III. Earnings Per Share: Basic Earning Per Share (Rs.) (Face value of Rs. 10 per share) Diluted Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.19 1.19	2.50 2.50
49 Earnings in foreign currency of Parent (accrual basis)		
Exports at F.O.B. value	29,574.47	29,167.42
Product service income	812.04	1,079.94
	30,486.51	30,247.36

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2026	Year ended 31 March 2025	% change
Current ratio	<u>Current Assets</u> Current Liabilities	Times	1.45	1.39	4%
Debt-Equity Ratio	<u>Total Debt</u> Total Equity	%	42%	44%	-7%
Debt Service Coverage Ratio	<u>Earnings for debt service (Note a)</u> Debt Service	Times	1.13	1.65	-32%
Return on Equity Ratio	<u>Profit After Tax</u> Average Equity	%	2.13%	5.38%	-60%
Inventory Turnover Ratio	<u>Cost of Goods Sold</u> Avg. Inventory	Times	1.83	2.00	-8%
Trade Receivable Turnover Ratio	<u>Revenue from Sale of Products</u> Average Trade Receivables	Times	3.33	3.50	-5%
Trade Payable Turnover Ratio	<u>Net Credit Purchase</u> Average Trade Payables (Note b)	Times	4.00	4.42	-10%
Net Capital Turnover Ratio	<u>Revenue from Operations</u> Working Capital (Note c)	Times	4.38	5.84	-25%
Net Profit Ratio	<u>Net Profit After Tax</u> Revenue from operations	%	1.56%	3.21%	-51%
Return on Capital Employed	<u>Earnings before Interest and Tax (Note d)</u> Capital Employed (Note e)	%	5.47%	8.29%	-34%
Operating Profit Margin	<u>Earnings before Interest and Tax (Note d)</u> Revenue from operations	%	5.72%	7.76%	-26%
Basic EPS	<u>Net Profit attributable to equity share holders</u> Weighted average number of equity shares	Times	1.19	2.50	-52%
Interest coverage ratio	<u>Earnings before Interest and Tax (Note d)</u> Finance costs	Times	1.62	2.58	-37%
Return on Investment			NA (Note f)	NA (Note f)	

Note:

a) Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments + Finance costs (recognised excluding lease)

b) Average Trade Payables = Average Trade payables for the materials purchase

c) Working Capital = Current Assets - Current Liabilities

d) Earnings before Interest and Tax = Profit before tax + Finance costs (recognised excluding lease)

e) Capital Employed = Average of equity and total borrowings

f) The Company has investments in subsidiaries and other insignificant trade investment.

Reasons for ratio variances exceeding 25%

- Debt Service Coverage Ratio: Decreased by 32% in the current year due to decrease in profitability and increased finance costs and borrowings of the Group
- Return on Equity Ratio: Decreased by 60% in the current year due to decrease in profitability of the Group
- Net Profit Ratio: Decreased by 51% in the current year due to decrease in profitability and increased finance costs of the Group
- Return on Capital Employed: Decreased by 34% in the current year due to decrease in profitability of the Group
- Operating Profit Margin: Decreased by 26% in the current year due to decrease in profitability of the Group
- Basic EPS: Decreased by 52% in the current year due to decrease in profitability of the Group
- Interest coverage ratio: Decreased by 37% in the current year is mainly due to decrease in profitability and increased finance costs on account of working capital utilisation

- 51 The Parent has used an accounting software for maintaining its books of accounts for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. However, with respect to audit trail at database level, audit trail login was available but DML (Data Manipulation Language) operations relating to change data was not enabled. Subsequent to the year ended 31 March 2025, the Parent has enabled DML operations relating to change data at database level. Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Parent as per the statutory requirements for record retention.



52 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows:

Particulars	Year ended	Year ended	
	31 March 2026	31 March 2025	
	Rs. in lakhs	Rs. in lakhs	
Average net profit of the Company for last three financial years	2,550.15	2627.84	
Prescribed CSR expenditure (2% of the average net profit as computed above)	51.00	52.56	
Details of CSR expenditure during the financial year :			
(a) Total amount required to be spent for the financial year	51.00	52.56	
(b) Amount approved by the Board to be set-off for the financial year	-	4.06	
(c) Amount approved by the Board to be spent for the financial year	53.74	48.53	
	(In cash)	Yet to be paid in cash	Total
(c) Amount spent for the financial year ending on 31 March 2026 :			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	53.49	-	53.49
(d) Amount spent for the financial year ending on 31 March 2025:			
(i) Construction/acquisition of any asset	-	-	-
(ii) On purposes other than (i) above	48.53	-	48.53
	Year ended	Year ended	
	31 March 2026	31 March 2025	
	Rs. in lakhs	Rs. in lakhs	
(e) Details related to spent/ unspent obligations :	53.49	48.53	
(i) Rural support programme and other activities mentioned in Schedule VII of the Companies Act, 2013			
(ii) Unspent amount in relation to :			
-Ongoing project	-	-	-
-Other than ongoing project	-	-	-
	53.49	48.53	

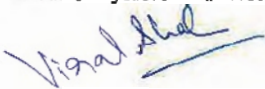
Details of other than ongoing project

In case of Section 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	-	51.00	53.49	2.49

In case of Section 135(5) Excess amount spent			
Opening Balance	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	51.00	53.49	2.49

53 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of consolidated financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018



Viral R. Shah
Partner
Membership No.: 117654

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1984PLC032172



Anwar S. Daud
Managing Director
DIN: 00623529



Zulfikar M. Kamal
Director (Finance),
DIN: 01786763



Shyam Mohan Patro
Chief Financial Officer



Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

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INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Zim Laboratories Limited (the "Company"), which comprise the Balance Sheet as at 31 March 2026, and the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, its profit and other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

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Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Capitalization and realisability of 'Product Marketing Authorization' Rights (Refer Note 2.1(d) to the accompanying standalone financial statements for material accounting policy information and Note 5(A) and 5(B) for related disclosures).</p> <p>The Company has applied for registration of its various formulated products in different countries. The applications have been made to secure marketing rights/ product authorisations in respective geographies, some of which are subject to regulatory approvals. The expenses towards registrations are capitalized as 'Product Marketing Authorizations'. The Product Marketing Authorizations are marketing rights and primarily include costs pertaining to bioequivalence studies, analytical method validation studies and product registration costs in respective geographies.</p> <p>Based on management's expectation of its commercial utilization of these products, these costs are amortized over a period of three years from date of capitalization.</p> <p>For marketing rights under process of approval, the primary risk relates to timely securing of requisite regulatory approvals. For capitalized marketing rights, the key risk is the ability to successfully commercialize the individual product concerned in the respective geography over the expected timelines.</p> <p>The assumptions/judgement applied by management in determining the recoverable value of such rights include expected contributions from projected business generated in respective countries. Changes in these assumptions could lead to an impairment to the carrying value of</p>	<p>Principal audit procedures performed included the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the management process and controls for calculating the amount to be capitalized and its realisability, and assessed the consistency of the accounting policies with relevant accounting standards; • Evaluated the design and tested the operating effectiveness of internal controls around capitalisation and realisability of 'Product Marketing Authorization' Rights; • Tested the mathematical accuracy of the amounts capitalized as marketing rights and also evaluated key assumptions regarding market potential used by the Company on sample basis; • Verified sample of costs incurred to supporting documentation such as study reports, invoices and payment records to ensure the correctness of the amounts being incurred; • Obtained an understanding from management as to the status of each marketing right under process and corroborating, on sample basis, such status assessments from the communications of the Company's management (as distinct from the financial management function) with respective authorities; • In respect of marketing rights for products that have received regulatory approvals, we assessed the useful life and amortization period for the capitalized costs and challenged their total estimated profitability based on results achieved till date;

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	<p>impairment to the carrying value of such intangible assets and Intangible assets under development.</p> <p>Considering the materiality of the amounts involved, inherent subjectivity and significant management judgement involved to estimate the recoverable value of the marketing rights, capitalization and realisability of 'Product Marketing Authorization' Rights has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> • In respect of marketing rights for products that are no longer considered viable, we determined whether the carrying amount had been appropriately written off; and • Evaluated the appropriateness and adequacy of the related disclosures made in the standalone financial statements in accordance with applicable accounting standards.
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Information Other than the Financial Statements and Auditor's Report Thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, Management Discussion and Analysis and Corporate Governance report but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Ind AS specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

RB.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

RB.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal financial controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The standalone financial statements of the Company for the year ended 31 March 2025, were audited by another auditor who expressed an unmodified opinion on those statements on 20 May 2025.

Our opinion on the standalone financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for matters stated in (i)(vi) below.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
- f) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.
- g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to standalone financial statements.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note 44 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note 15(ii) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note 15(iii) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

RB.

- (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi. Based on our examination, which included test checks, the Company has used an accounting software for maintaining its books of account for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of audit trail feature which was not enabled at database level to log any direct data changes. Hence, we are unable to comment on whether the audit trail feature at the database level of the said software was enabled and operated throughout the year and preserved for all relevant transactions recorded in the software. However, subsequent to the year ended 31 March 2026, audit trail has been enabled at the database level to log any direct data changes.

Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Company as per the statutory requirements for record retention. Also, refer Note 51 to standalone financial statements.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)



Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026

RB.

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026
(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to standalone financial statements of Zim Laboratories Limited (the "Company") as at 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The Company's management and Board of Directors are responsible for establishing and maintaining internal financial controls with reference to standalone financial statements based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

RB.

Meaning of Internal Financial Controls with reference to standalone financial statements

A company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2026 based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP

Chartered Accountants
(Firm's Registration No.: 117366W/W-100018)

Viral R. Shah

Partner

(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026

RB.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

To The Members of Zim Laboratories Limited for the year ended 31 March 2026
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'
section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. In respect of the Company's property, plant and equipment, and intangible assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) Some of the Property, Plant and Equipment were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on the examination of the registered sale deed provided to us, we report that, the title deeds of all the immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment, are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at 31 March 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories, except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of goods in transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with the books of account.

RB.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- iii. (a) The Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable.
- (b) The investments made, during the year are, in our opinion, not prejudicial to the Company's interest.
- (c) The Company does not have any outstanding loans and advances in the nature of loans as at the beginning of the current year nor has granted any loans or advances in the nature of loans during the year. Accordingly, reporting under clauses 3(iii)(c), 3(iii)(d), 3(iii)(e) and 3(iii)(f) of the Order is not applicable to the Company.
- iv. The Company has complied with the provisions of Sections 186 of the Companies Act, 2013 in respect of investments made. The Company has not granted loans, provided guarantees or securities to parties that are covered under the provisions of sections 185 or 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities in all cases during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

RB.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2026 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Amount (in lakhs)	Amount paid under protest (in lakhs)	Period to which the Amount Relates	Forum where Dispute is Pending
Income Tax Act, 1961	Income Tax liability	395.95	84.00	Assessment Year 2010-2011	Commissioner of Income Tax (Appeal) and Income Tax Appellate Tribunal
The Central Goods and Service Tax Act, 2017	Goods and Service Tax Liability	43.74	-	Financial Year 2023-2024	GST Adjudicating Authority
The Central Goods and Service Tax Act, 2017	Goods and Service Tax Liability	219.65	16.85	Financial Year 2021-2022	GST Appellate Authority

- viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- ix. a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.
- e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

RB

- x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence, reporting under clause 3(x)(a) of the Order is not applicable.
- b) The Company has made preferential allotment of shares during the year. For such allotment of shares, the Company has complied with the requirements of Section 42 and 62 of the Companies Act, 2013, and the funds raised have been, applied by the Company during the year for the purposes for which the funds were raised other than temporary deployment pending application. The Company has not made any preferential allotment or private placement of (fully or partly or optionally) convertible debentures during the year.
- xi. a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and upto the date of this report.
- xii. The Company is not a Nidhi Company and hence, reporting under clause 3 (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- b) We have considered the internal audit reports issued to the Company during the year and covering the period upto October 2025 and the final of the internal audit reports where issued after the balance sheet date covering the period upto March 2026, for the period under audit.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence, provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

RB

**Deloitte
Haskins & Sells LLP**

- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount for the year requiring a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Viral R. Shah
Partner
(Membership No. 117654)
(UDIN: 26117654HWTMZH6647)

Place: Mumbai
Date: 19 May 2026



ZIM Laboratories Limited
Standalone Balance Sheet as at 31 March 2026

	Note	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
ASSETS			
Non-current assets			
Property, plant and equipment	3	15,637.38	15,828.14
Capital work-in-progress	4	5,876.02	4,405.44
Intangible assets	5(A)	375.31	531.39
Intangible assets under development	5(B)	3,064.36	2,161.15
Financial Assets			
Investment in subsidiaries	6	1,760.56	1,298.90
Other investments	6(A)	5.00	5.00
Other financial assets	7	250.69	235.64
Income tax assets (net)	8	84.00	86.25
Other non-current assets	9	223.52	251.90
		27,276.84	24,803.81
Current assets			
Inventories	10	9,377.48	8,647.00
Financial Assets			
Trade receivables	11	9,228.36	9,368.06
Cash and cash equivalents	12	1,879.57	36.36
Bank balances other than cash and cash equivalents	13	1,820.08	45.59
Other financial assets	14	48.72	24.09
Other current assets	15	2,888.92	3,513.61
		25,243.13	21,634.71
		52,519.97	46,438.52
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	16	5,350.03	4,872.58
Other equity	17	23,285.18	19,578.80
		28,635.21	24,451.38
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	18	4,158.83	4,030.10
Lease liabilities	19	83.20	206.97
Deferred tax liabilities (net)	20	1,042.03	1,130.10
		5,284.06	5,367.17
Current liabilities			
Financial Liabilities			
Borrowings	21	8,139.56	7,186.45
Lease liabilities	22	274.30	356.43
Trade payables:			
-total outstanding due of micro enterprises and small enterprises	23	847.20	668.46
-total outstanding due of creditors other than micro enterprises and small enterprises		6,811.22	6,518.14
Other financial liabilities	24	943.64	1,011.97
Other current liabilities	25	1,241.21	518.58
Provisions	26	85.94	67.90
Current tax liabilities (net)	8(A)	257.63	292.04
		18,600.70	16,619.97
		23,884.76	21,987.14
		52,519.97	46,438.52

Material accounting policy information and other explanatory information

1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366WW-100018

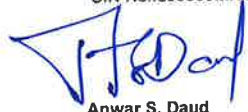


Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

RB

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1984PLC032172



Anwar S. Daud
Managing Director
DIN: 00023529



Shyam Mohan Patro
Chief Financial Officer



Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763



Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026



ZIM Laboratories Limited
Standalone Statement of Profit and Loss for the year ended 31 March 2026

	Note	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
I. Income			
Revenue from operations	27	37,048.15	37,563.55
Other income	28	1,138.99	562.09
Total Income		38,187.14	38,125.64
II. Expenses			
Cost of materials consumed	29	16,319.05	15,500.40
Purchase of stock in trade	30	746.83	1,157.82
Changes in inventories of finished goods and work-in-progress	31	(614.14)	126.65
Employee benefits expenses	32	6,009.85	5,640.62
Finance costs	33	1,320.23	1,138.58
Depreciation and amortisation expenses	34	1,936.74	1,989.14
Other expenses	35	11,628.56	10,811.22
Total Expenses		37,347.12	36,364.43
III. Profit before tax		840.02	1,761.21
IV. Tax (expense):	36		
(i) Current Tax		(327.54)	(444.69)
(ii) Deferred Tax		84.04	(142.12)
		(243.50)	(586.81)
V. Net Profit after tax		596.52	1,174.40
VI. Other Comprehensive Income			
Items that will not be reclassified to profit or loss			
- Measurements of defined employee benefit plans		(13.85)	(75.95)
- Income tax relating to items that will not be reclassified to profit or loss		4.03	22.11
		(9.82)	(53.84)
VII. Total Comprehensive Income		586.70	1,120.56
VIII. Earnings per equity share: Nominal value of Rs. 10 each	48		
Basic (In Rs.)		1.22	2.41
Diluted (In Rs.)		1.22	2.41

Material accounting policy information and other explanatory information

1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366WW-100018



Viral R. Shah
Partner
Membership No.: 117654

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1984PLC032172



Anwar S. Daud
Managing Director
DIN: 00023529



Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763



Shyam Mohan Patro
Chief Financial Officer



Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

RR:



ZIM Laboratories Limited
Standalone Statement of Cash Flow for the year ended 31 March 2026

	Year ended 31 March 2026 Rs. In lakhs	Year ended 31 March 2025 Rs. In lakhs
Cash flow from operating activities		
Profit before tax	840.02	1,761.21
Depreciation and amortisation expenses	1,936.74	1,989.14
Interest on lease deposits	(7.49)	(7.14)
Gain on sale of property, plant and equipment (net)	(251.68)	1.59
Unrealized foreign exchange gain	(284.09)	(30.03)
Dividend income on investments	(0.75)	(0.75)
Interest income	(30.92)	(4.55)
Equity settled share based payments to employees	33.03	39.40
Bad debts written off	78.11	212.71
Reversal of loss allowance - trade receivables	(23.20)	(71.97)
Finance costs	1,320.23	1,138.58
Operating profit before working capital changes	3,610.00	5,028.19
Movement in working capital :		
Increase/(decrease) in trade and other payables and provisions	1,189.74	(28.94)
Increase in inventories	(730.48)	(520.71)
Decrease in trade and other receivables	1,056.28	453.13
Net Cash generated from operations	5,125.54	4,931.67
Direct taxes paid (net of refunds)	(359.70)	128.53
Net cash generated from operating activities (A)	4,765.84	5,060.20
Cash flow from investing activities		
Purchases of property, plant and equipment and intangible assets (Refer note i)	(4,162.87)	(3,791.66)
Sale proceeds of property, plant and equipment and intangible assets	561.65	51.81
Investment in subsidiaries	(381.20)	(385.09)
(Deposits) of bank deposits placed with bank (having original maturity of more than three months)	(2,078.19)	(26.50)
Maturity of bank deposits placed with bank (having original maturity of more than three months)	302.87	15.64
Interest received	15.81	4.03
Dividend received	0.75	0.75
Net cash (used in) Investing activities (B)	(5,741.18)	(4,131.02)
Cash flow from financing activities		
Proceeds from issue of equity share	3,507.76	-
Transaction cost of preferential issue	(24.12)	-
Proceeds from long term borrowings	2,233.44	2,462.40
Repayment of long term borrowings	(2,149.22)	(1,532.02)
Proceeds/(Repayment) of short term borrowings (net)	683.87	(252.65)
Proceeds under supplier finance arrangements (net)	250.21	-
Repayment of principal portion of lease obligations	(393.88)	(358.16)
Finance costs paid	(1,289.50)	(1,229.78)
Changes in unclaimed dividend bank balances	5.55	5.69
Changes in unclaimed dividend liabilities	(5.55)	(5.69)
Net cash generated from (used in) financing activities (C)	2,818.66	(910.21)
Effects of exchange rate changes on cash and cash equivalents (D)	(0.01)	0.04
Net increase in cash and cash equivalents (A+B+C+D)	1,843.21	19.01
Opening cash and cash equivalents	36.36	17.35
Closing cash and cash equivalents	1,879.57	36.36
Components of cash and cash equivalents		
Cash on hand	3.34	4.42
Balances with banks In:		
- Current accounts	372.40	31.94
- Bank deposits (having original maturity of less than three months)	1,503.83	-
Total cash and cash equivalents (Refer note 12)	1,879.57	36.36

Note:

- i) Includes capital work-in-progress, intangible assets under development, capital advance, payable for capital expenditure.
ii) The Standalone Statement of Cash Flow has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) Statement of Cash Flows.

Material accounting policy information and other explanatory information

1 - 53

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

R.R.

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1984PLC032172

Anwar S. Daud

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiqar M. Kamal

Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade

Piyush Nikhade
Company Secretary

Place: Nagpur
Date: 19 May 2026



ZIM Laboratories Limited
Standalone Statement of Changes in Equity for the year ended 31 March 2026

Equity share capital (Refer note 16)

	Number of shares	Rs. in lakhs
Balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2024	4,87,25,814	4,872.58
Changes during the year	-	-
Balance as at 31 March 2025	4,87,25,814	4,872.58
Changes during the year due to prior period errors	-	-
Restated balance as at 01 April 2025	4,87,25,814	4,872.58
Changes during the year	47,74,497	477.45
Balance as at 31 March 2026	5,35,00,311	5,350.03

Other equity (Refer note 17)

	Reserves & Surplus					Total other equity
	Securities premium	General reserve	Retained earnings	Deemed equity contribution from shareholder	Share options outstanding reserve	
Balance as at 01 April 2024	802.98	106.20	15,273.42	2,140.24	-	18,322.84
Transactions during the year	-	-	-	-	-	-
Total comprehensive income	-	-	1,174.40	-	-	1,174.40
Net Profit after tax	-	-	(53.84)	-	-	(53.84)
Other comprehensive income	-	-	-	-	39.40	39.40
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	96.00	96.00
Equity settled share based payments to employees of subsidiary (Refer note 6 and 47)	-	-	-	-	-	-
Balance as at 31 March 2025	802.98	106.20	16,393.98	2,140.24	135.40	19,578.80
Transactions during the year	-	-	-	-	-	-
Total comprehensive income	-	-	596.52	-	-	596.52
Net Profit after tax	-	-	(9.82)	-	-	(9.82)
Other comprehensive income	-	-	-	-	-	-
Preferential issue of equity shares (Refer note 16)	3,023.55	-	-	-	-	3,023.55
Transaction cost of preferential issue of equity shares	(24.12)	-	-	-	-	(24.12)
Exercise of employee stock options (Refer note 47)	12.21	-	-	-	(5.45)	6.76
Equity settled share based payments to employees (Refer note 47)	-	-	-	-	33.03	33.03
Equity settled share based payments to employees of subsidiary (Refer note 6 and 47)	-	-	-	-	80.46	80.46
Balance as at 31 March 2026	3,814.62	106.20	16,980.68	2,140.24	243.44	23,285.18

(Rs. in lakhs)

As per our report of even date attached

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral R. Shah

Viral R. Shah
Partner
Membership No.: 117654

Place: Mumbai
Date: 19 May 2026

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.: L99999MH1984PLC032172

Anwar S. Daud

Anwar S. Daud
Managing Director
DIN: 00923529

Shyam Mohan Patro

Shyam Mohan Patro
Chief Financial Officer

Place: Nagpur
Date: 19 May 2026

Zulfiqar M. Kamal

Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763

Piyush Nikhade

Piyush Nikhade
Company Secretary

RB.



1. Background of the Company

ZIM Laboratories Limited ('the Company') is a public limited company domiciled in India with its registered office at Sadoday Gyan (Ground Floor), Opposite N.A.D.T., Nelson square, Nagpur-440013. The Company has primarily listed on BSE/NSE. The Company is engaged in the manufacturing of formulation drugs and pre formulation ingredients in India and marketing and selling these within and outside India.

The standalone financial statements ('the financial statements') of the Company for the year ended 31 March 2026 were authorised for issue in accordance with resolution of the Board of Directors on 19 May 2026.

2. Basis for preparation of financial Statements**(i) Compliance with Ind AS**

These financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ('Act') read with of the Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act and guidelines issued by the Securities and Exchange Board of India.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- 1) certain financial assets and liabilities that are measured at fair value;
- 2) assets held for sale - measured at lower of carrying amount or fair value less cost to sell;
- 3) defined benefit plans - plan assets measured at fair value;

(iii) Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle (not exceeding twelve months) and other criteria set out in the Schedule III to the Act.

(iv) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

2.1 Material accounting policy information**a Use of estimates**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after that date but provide additional evidence about conditions existing as at the reporting date.

b Property, plant and equipment (including Capital Work-in-Progress)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1 April 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost and not revalued its property, plant and equipment at the end of each year.

Freehold land is carried at cost. All other items of property, plant and equipment are stated at cost less depreciation and impairment, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Statement of Profit and Loss during the reporting period in which they are incurred.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit and Loss.

c Depreciation methods and estimated useful lives

The Company provides for depreciation on additions and disposals made during the year on pro-rata basis from the date of additions upto the date of disposal. Depreciation on property, plant and equipment is provided under the straight line method over the useful lives of assets, as prescribed under Part C of Schedule II of the Act.

Useful life considered for calculation of depreciation for various assets class are as follows:

Assets Class	Useful Life
Building	5 years & 30 years
Plant and Equipment	10 years & 15 years
Electric Installation	10 years
Furniture and Fixtures	10 years
Office Equipment's	3-6 years
Vehicles	8 years

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

Leasehold Improvements are amortized over the lower of the lease term or useful life of the respective asset prescribed as above.

Leasehold land is amortised over the primary period of lease.



d Intangible assets (Including Intangible assets under development)

Intangible assets are stated at acquisition/development cost, net of tax credit on initial recognition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditure incurred for obtaining regulatory approvals and registration of the products for overseas markets are considered/capitalised as product marketing authorisations.

Intangible assets are amortised on a straight line basis over the estimated useful economic life, which is estimated to be five years for software and for product marketing authorisations, lower of validity of product marketing authorisation certificate or three years.

e Research and development costs

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

During the period of development, the asset is tested for impairment annually. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Statement of Profit and Loss.

f Measurement and recognition of leases

The Company considers whether contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that convey the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Company as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company and any lease payments made in advance of the lease commencement date.

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance, fixed), and payments arising from options reasonably certain to be exercised. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest expenses. It is remeasured to reflect any reassessment or modification.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or Statement of profit and loss, as the case may be.

The Company has elected to account for short-term leases and leases of low-value assets using the exemption given under Ind AS 116, Leases. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term or on another systematic basis if that basis is more representative of the pattern of the Company's benefit.

Company as a lessor

Lease income from operating leases where the Company is a lessor is recognised as income on straight line basis over the lease term .

R.R.



g Borrowings and other financial liabilities

Borrowings and other financial liabilities are initially recognised at fair value (net of transaction costs incurred). Difference between the fair value and the transaction proceeds on initial recognition is recognised as an asset / liability based on the underlying reason for the difference.

Subsequently all financial liabilities are measured at amortised cost using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss. The gain / loss is recognised in other equity in case of transaction with shareholders.

h Borrowing costs

General and specific borrowing costs directly attributable to the acquisition/ construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expense in Statement of Profit and Loss in the period in which they are incurred.

i Impairment of non-financial assets

Assessment is carried out at each Balance Sheet date as to whether there is any indication that an asset may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication of impairment exists, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to their recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. A previously recognised impairment loss is increased or reversed depending on changes in circumstances. However, the carrying value after reversal is not increased beyond the carrying value that would have prevailed if there was no impairment.

j Investments in subsidiaries

Investments in subsidiaries are recognised at cost as per Ind AS 27 except when they are classified as held for sale, they shall be accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and Discontinued Operations.

k Investments and financial assets**Classification**

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through statement of profit and loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Measurement

At initial recognition, the Company measures a financial asset (excluding trade receivables which do not contain a significant financing component) at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit and Loss.

Measurement of debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in Statement of Profit and Loss, when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



• **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to statement of profit and loss. Interest income from these financial assets is included in other income using the effective interest rate method.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in statement of profit and loss and presented net in the Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

Measurement of equity instruments

The Company measures its equity investment (other than in subsidiaries) at fair value through profit and loss. However where the Company's management makes an irrevocable choice on initial recognition to present fair value gains and losses on specific equity investments in other comprehensive income (Currently no such choice made), there is no subsequent reclassification, on sale or otherwise, of fair value gains and losses to the Statement of Profit and Loss.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, Financial Instruments. The Company has used a practical expedient for computing the expected credit loss allowance for trade receivables based on the ageing based matrix.

De-recognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or they have expired or
- The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Interest income from financial assets

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

l Derivatives and embedded derivatives

The Company uses derivative financial instruments i.e. foreign exchange forward contracts to manage its exposure to foreign exchange risks. Such contracts are accounted for at fair value through profit or loss. Derivatives are carried as financial assets/liabilities when the fair value is positive/negative, respectively.

Derivatives embedded in a host contracts that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

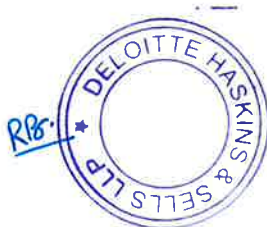
Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

m Cash and Cash Equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

n Inventories

Inventories are stated at lower of cost and net realisable value. Cost of raw materials, stores, spares and packing materials is determined at weighted average cost or net realisable value, whichever is lower. The cost of finished goods and work in progress comprises raw materials cost, packing materials cost, direct labour, other direct costs and related production overheads, as applicable. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.



o Foreign Currency Transactions

Foreign currency transactions are recorded at the exchange rates prevailing on the date of such transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Gains and losses arising on account of differences in foreign exchange rates on settlement/ translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss, unless they are considered as an adjustment to borrowing costs, in which case they are classified along with the borrowing cost. Non-monetary foreign currency items are carried at cost.

p Revenue Recognition

The Company derives revenues primarily from sale of manufactured goods and traded goods.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products.

The Company does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
2. The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Company's performance does not create an asset with an alternative use to the Company and an entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Other operating revenue -

Product service income

Product development income

Income from product development is recognised in accordance with the terms of the contract with customers when the related performance obligation is completed, or when risks and rewards of ownership are transferred, as applicable.

The Company enters into certain product development and supply arrangements that, in certain instances, include certain performance obligations. Based on an evaluation of whether or not these obligations are inconsequential or perfunctory, the Company recognises or defers the upfront payments received under these arrangements.

Out-licensing income

Revenues include amounts derived from out-licensing income. These income typically depends on achieving certain milestones in accordance with the terms prescribed in the agreement. Milestone payments which are contingent on achieving certain clinical milestones are recognised as revenues either on achievement of such milestones, if the milestones are considered substantive, or over the period the Company has continuing performance obligations, if the milestones are not considered substantive.

Export incentives

Export incentives under various schemes are accounted in the year of export.

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects entity's unconditional right to consideration (that is, payment is due only on the passage of time). Trade receivables are recognised initially at the transaction price as they do not contain significant financing components. The entity holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less loss allowance.

q Other Income

Interest income for all debt instruments is recognised using the effective interest rate method. Dividend income is recognised when right to receive the payment is established by the balance sheet date.

r Employee Benefits

Defined Contribution Plan

The Company has Defined Contribution Plan for post employment benefit namely Provident Fund and National Pension Fund which are recognised by the income tax authorities and administered through appropriate authorities. The Company contributes to a Government administered Provident Fund and National Pension Fund and has no further obligation beyond making its contribution.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations.

The Company's contributions to the above funds are charged to Statement of Profit and Loss every year as and when due.

Defined Benefit Plan - Gratuity

The Company has Defined Benefit Plan comprising of Gratuity. The Gratuity scheme is funded through Group Gratuity Cum Life Assurance Scheme from LIC. The adequacy of accumulated fund balance available with LIC has been established by comparing such balance based on actuarial valuation carried out by an independent actuary as at the Balance Sheet date and shortfall/ excess, if any, has been provided for/ considered as prepaid.

The liability or asset recognised in the balance sheet in respect of defined gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.



The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by actuary applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Compensated Absences

Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. All other absences are treated as long term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/ gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Termination Benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Short-term benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

s Current and Deferred Tax

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Income tax (current-tax) assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

Deferred tax assets (including Minimum Alternate Tax (MAT)) are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

t Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.



u Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss (excluding other comprehensive income) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a right issue, share split and reverse share splits (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss (excluding other comprehensive income) for the year attributable to equity share holders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

v Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which by definition will seldom equal the actual results. Management also need to exercise judgement in applying the group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed Information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgement are:

- Useful life and residual value of property, plant and equipment (PPE) and intangible assets (Refer note 3, 4, 5(A) & 5(B))
- The Company reviews the useful lives of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation and amortisation expense in future periods.
- Recognition and measurement of defined benefit obligations (Refer note 45)
- The cost of post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to significant uncertainty.
- Tax expenses (Refer note 36)
- The Company reviews the carrying amount of tax expenses, deferred tax (including MAT credit) and tax payable at the end of each reporting period.
- Loss Allowance (Refer note 11)
- Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated Irrecoverable amounts. Under Ind AS, impairment allowance has been determined based on Expected Credit Loss (ECL) model. Estimated irrecoverable amounts are based on the ageing of the receivable balance. Individual trade receivables are written off if the same are not collectible.
- Leases – Estimating the incremental borrowing rate (Refer Note 2(f))
- The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the fund necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.
- Inventory (Refer note 10) - The Company reviews the allowance for defective and obsolete items inventory at the end of each reporting period.



3 Property, plant and equipment	(Rs. in lakhs)									
	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipments	Vehicles	Right of use Assets (Refer note 41)		Total
								Leasehold Land	Other Right of use Assets	
Gross carrying amount	961.57	7,900.29	10,470.39	327.28	1,701.57	626.61	252.10	645.51	1,533.49	24,416.61
Balance as at 1 April 2024	-	337.62	560.95	-	77.20	91.44	35.30	466.45	445.16	2,014.12
Additions	-	39.18	272.70	12.02	155.94	58.93	15.92	-	902.44	1,457.08
Deletions	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	961.57	8,198.73	10,738.64	315.28	1,922.83	650.17	271.48	1,111.96	1,076.21	24,975.85
Additions	-	313.24	657.61	55.55	72.03	90.82	29.80	428.16	218.18	1,975.52
Deletions	-	60.09	188.23	-	14.50	3.55	18.77	300.83	-	583.99
Balance as at 31 March 2026	961.57	8,451.88	11,230.00	390.31	1,860.39	746.44	282.51	1,239.29	1,284.39	26,287.38
Accumulated Depreciation	-	1,314.47	5,032.65	165.26	732.67	403.98	131.22	31.50	914.57	8,726.92
Balance as at 1 April 2024	-	301.41	793.67	21.09	127.05	90.70	16.53	12.89	441.13	1,624.46
Charge for the year	-	29.12	243.59	-2.96	132.58	59.63	14.45	-	902.44	1,403.67
Deletions	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2025	-	1,580.76	5,872.73	183.49	752.24	436.05	133.30	44.68	453.26	9,147.71
Charge for the year	-	294.82	684.15	15.76	126.67	98.63	19.44	14.27	460.76	1,717.80
Deletions	-	25.53	132.28	-	8.69	3.19	17.44	47.78	-	235.51
Balance as at 31 March 2026	-	1,855.75	6,124.60	202.25	885.42	531.49	135.30	11.17	914.02	10,630.00
Net carrying amount	961.57	6,611.97	5,185.91	151.77	1,085.39	223.12	138.18	1,067.26	622.95	15,826.14
Balance as at 31 March 2025	961.57	6,696.13	5,105.40	178.66	824.97	214.95	147.21	1,228.12	380.37	15,637.38

i Leases in which the Company is Lessee
The Company has leasing arrangements for its land, office buildings and plant & equipments. The Company pays lease charges as fixed amount as per respective lease agreements. Right-of-use asset is measured, on a lease by lease basis, at carrying amount. Discounting to arrive the value of asset is done based on the incremental borrowing rate at the time of lease initiation. The lease agreements for immovable properties where the Company is the lessee are duly executed in favour of the Company. The average lease period for office buildings and plant & equipments is 2-5 years and for land 59-69 years.

- ii Refer note 44 (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment
- iii Refer note 18 and 21 for information on property, plant and equipment pledged as security by the Company.
- iv There are no impairment losses recognised during the current year and previous year.
- v There were no material discrepancies identified during physical verification of property, plant & equipments

(Rs. in lakhs)	
4 Capital work-in-progress (CWIP)	2,351.60
Balance as at 1 April 2024	4,057.96
Additions	(2,014.12)
Capitalisation	4,405.44
Balance as at 31 March 2025	3,346.10
Additions	(1,875.52)
Capitalisation	5,876.02
Balance as at 31 March 2026	5,876.02

	(Rs. in lakhs)			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Amount in CWIP for a period of				
Total				
Balance as at 31 March 2026	2,054.60	2,169.84	1,651.59	5,876.02
Projects in progress	-	-	-	-
Projects temporarily suspended	2,054.60	2,169.84	1,651.59	5,876.02
Balance as at 31 March 2025	2,712.31	1,693.13	-	4,405.44
Projects in progress	-	-	-	-
Projects temporarily suspended	2,712.31	1,693.13	-	4,405.44

Note:
Capital work-in-progress (CWIP) includes cost incurred towards construction of property, plant and equipment of the Company. There are no projects as on each reporting year where activity had been suspended. Also there are no projects as on reporting year which has exceeded cost as compared to approved plan or where completion is overdue.



Zim Laboratories Limited
Material accounting policy information and other explanatory information to the statements financial statements for the year ended 31 March 2026

5(A) Intangible assets

	(Rs. in lakhs)	
	Software	Product Market Authorisation
Gross carrying amount		
Balance as at 1 April 2024	428.16	1,581.73
Additions - Internally developed		281.16
- Acquired	77.48	77.48
Deletions		121.24
Balance as at 31 March 2025	505.64	1,799.13
Additions - Internally developed		5.85
- Acquired	57.21	57.21
Deletions		-
Balance as at 31 March 2026	562.85	1,861.99
Accumulated Amortisation		
Balance as at 1 April 2024	238.81	985.49
Charge for the year	58.04	105.64
Deletions		121.24
Balance as at 31 March 2025	297.85	969.89
Charge for the year	68.96	149.98
Deletions		-
Balance as at 31 March 2026	366.81	1,119.87
Net carrying amount		
Balance as at 31 March 2025	207.79	829.24
Balance as at 31 March 2026	196.04	742.12

5(B) Intangible assets under development (IAUD)

	(Rs. in lakhs)
Balance as at 1 April 2024	1,673.11
Additions - Internally developed	815.55
- Acquired	11.13
Capitalisation - Internally developed	(281.16)
- Acquired	(77.48)
Balance as at 31 March 2025	2,101.15
Additions - Internally developed	891.85
- Acquired	74.22
Capitalisation - Internally developed	(5.65)
- Acquired	(57.21)
Balance as at 31 March 2026	3,084.36

Intangible assets under development (IAUD) Aging Schedule

	(Rs. in lakhs)			
	Less than 1 year	1-2 years	2-3 years	More than 3 years
Balance as at 31 March 2026	956.68	738.87	718.63	650.18
Projects in progress				3,064.36
Projects temporarily suspended				650.18
	956.68	738.87	718.63	650.18
Balance as at 31 March 2025	738.41	772.56	650.19	2,161.15
Projects in progress				2,161.15
Projects temporarily suspended				-
	738.41	772.56	650.19	2,161.15

Note
Represents expenditure incurred towards obtaining regulatory approvals and registration of the products for overseas markets. There are no IAUD as on each reporting year where activity had been suspended. Also there are no IAUD as on reporting year where completion is overdue.



R/R

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
6 Investment in subsidiaries		
Investment in equity instruments :		
Unquoted equity investment carried at cost		
3,768 (31 March 2025: 3,768) equity shares of AED 1,000 each fully paid-up in ZIM Laboratories FZE,UAE	731.57	731.57
400,000 (31 March 2025: 400,000) equity shares of Rs.10 each fully paid-up in ZIM Health Technologies Limited, India (includes Deemed Investment*)	216.46	136.00
1,375 (31 March 2025: 775) equity shares of EURO 500 each fully paid-up in SIA ZIM Laboratories Limited, Latvia	639.46	347.71
100,000 (31 March 2025: 100,000) equity shares of Rs.10 each fully paid-up in ZIM Thinorals Private Limited, India	10.00	10.00
268,425 (31 March 2025:133,425) equity shares of AUD 1 each fully paid-up in ZIMTAS PTY Limited, Australia	163.07	73.62
	<u>1,760.56</u>	<u>1,298.90</u>
*Represents the increase in deemed investment value of Rs. 176.46 lakhs as at 31 March 2026 (31 March 2025: Rs. 98.00 lakhs) on account of stock options of the Company granted to employee of the subsidiary company. The cost has been considered as Deemed Investment in subsidiary in accordance with Ind AS 102, Shared-based Payment.		
6(A) Other investments (non-current)		
Investment in body corporate:		
Unquoted equity investment carried at amortised cost		
20,000 (31 March 2025: 20,000) equity shares of Rs. 25 each fully paid-up in Shamrao Vitthal co-operative Bank Limited	5.00	5.00
	<u>5.00</u>	<u>5.00</u>
Aggregate amount of investments		
Aggregate carrying value of unquoted investments	1,785.56	1,303.90
Aggregate carrying value of quoted Investments	-	-
Aggregate amount of market value of quoted investments	-	-
Aggregate amount of impairment in value of investments	-	-
	<u>1,785.56</u>	<u>1,303.90</u>
7. Other financial assets (non-current)		
(Unsecured, considered good)		
Earnest money and security deposit	229.58	209.81
Margin money deposits	21.11	25.83
Represents fixed deposits with banks Rs. 21.11 lakhs (Rs. 25.83 lakhs as at 31 March 2025) marked as lien for guarantees issued by banks on behalf of the Company.	<u>250.69</u>	<u>235.64</u>
8 Income tax assets (net)		
Advance income-tax (net of provision for tax)*	84.00	86.25
	<u>84.00</u>	<u>86.25</u>
* Includes amount paid under protest Rs. 84.00 lakhs (31 March 2025 : Rs. 84.00 lakhs)		
8(A) Current tax liabilities (net)		
Provision for tax (net of advance income-tax Rs. 62.63 lakhs (31 March 2025 : Rs 119.20 lakhs))	257.63	292.04
	<u>257.63</u>	<u>292.04</u>
9 Other non-current assets		
(Unsecured, considered good)		
Capital advances	194.23	201.33
Prepaid expenses	29.29	50.57
	<u>223.52</u>	<u>251.90</u>
10 Inventories		
(measured at lower of cost or net realisable value)		
Raw materials and packing materials	284.38	-
Goods-in-transit	5,564.53	5,668.06
Others	537.99	745.21
Work-in-progress	-	-
Finished goods	60.72	142.36
Goods-in-transit	2,782.96	1,879.96
Others	146.90	211.41
Stores and spares	<u>9,377.48</u>	<u>8,647.00</u>
11 Trade receivables (Unsecured, Refer note (a) below)		
Trade receivables - considered good (Refer note 43)	9,228.36	9,368.06
Trade receivables - credit impaired	35.44	46.48
Trade receivables which have significant increase in credit risk	21.34	33.50
	<u>9,285.14</u>	<u>9,448.04</u>
Less: Loss allowance	<u>(56.78)</u>	<u>(79.98)</u>
	<u>9,228.36</u>	<u>9,368.06</u>

(a) Ageing of Trade receivables

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6-12 months	1-2 years	2-3 years	More than 3 years	
(Rs. in lakhs)							
As at 31 March 2026							
Undisputed Trade Receivables – considered good	6,878.44	1,901.82	594.20	50.49	3.61	-	9,228.36
Undisputed Trade Receivables – which have significant increase in credit risk	0.71	0.86	3.33	0.50	1.50	14.64	21.34
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	28.50	-	6.94	35.44
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<u>6,879.15</u>	<u>1,902.28</u>	<u>597.53</u>	<u>79.49</u>	<u>5.11</u>	<u>21.58</u>	<u>9,285.14</u>
Less: Loss allowance	<u>(0.71)</u>	<u>(0.66)</u>	<u>(3.33)</u>	<u>(29.00)</u>	<u>(1.50)</u>	<u>(21.58)</u>	<u>(56.78)</u>
	<u>6,878.44</u>	<u>1,901.62</u>	<u>594.20</u>	<u>50.49</u>	<u>3.61</u>	<u>-</u>	<u>9,228.36</u>
As at 31 March 2025							
Undisputed Trade Receivables – considered good	7,863.49	1,350.45	117.17	31.88	5.07	-	9,368.06
Undisputed Trade Receivables – which have significant increase in credit risk	1.16	0.94	1.45	0.70	-	29.25	33.50
Undisputed Trade receivable – credit impaired	-	-	-	-	46.48	-	46.48
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
	<u>7,864.65</u>	<u>1,351.39</u>	<u>118.62</u>	<u>32.58</u>	<u>51.55</u>	<u>29.25</u>	<u>9,448.04</u>
Less: Loss allowance	<u>(1.16)</u>	<u>(0.94)</u>	<u>(1.45)</u>	<u>(0.70)</u>	<u>(46.48)</u>	<u>(29.25)</u>	<u>(79.98)</u>
	<u>7,863.49</u>	<u>1,350.45</u>	<u>117.17</u>	<u>31.88</u>	<u>5.07</u>	<u>-</u>	<u>9,368.06</u>

No trade receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade receivable are due from firms or private companies respectively in which any director is a partner, a director or a member other than those disclose in the note 43.

Trade receivables are non-interest bearing and are generally on terms of 30 to 120 days.

Refer note 38 for information about credit risk and market risk of trade receivables.

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
12 Cash and cash equivalents		
Cash on hand	3.34	4.42
Balances with banks in current accounts	372.40	31.94
Bank deposits (having original maturity of less than three months)	1,503.83	-
	<u>1,879.57</u>	<u>36.36</u>



	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
13 Bank balances other than cash and cash equivalents		
Bank deposits (having original maturity of more than three months but less than twelve months)	1,503.99	-
Earmarked balances with bank		
Bank deposits (having original maturity of more than three months but less than twelve months)	268.00	-
Unclaimed dividend accounts	3.88	9.23
Margin money deposits	44.41	38.36
Represents fixed deposits with banks Rs. 44.41 lakhs (Rs. 36.36 lakhs as at 31 March 2025) marked as lien against guarantees issued by banks on behalf of the Company.	<u>1,820.08</u>	<u>45.59</u>
14 Other financial assets (current) (Unsecured, considered good)	41.59	16.50
Earnest money and security deposits		
Interest receivable:		
from Banks	0.12	0.58
from Others	7.01	7.01
	<u>48.72</u>	<u>24.09</u>
15 Other current assets (Unsecured, considered good)		
Advance to suppliers	190.89	1,466.90
Advance against expenses to employees	11.63	12.18
Balances with government authorities	2,381.67	1,742.48
Prepaid expenses	274.74	236.68
Prepaid gratuity (Refer note 45)	29.99	55.37
	<u>2,888.92</u>	<u>3,513.61</u>

(i) There are no advances to directors or other officers of the Company either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or director or a member other than those disclosed in the note 43.

(ii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
16 Equity share capital		
Authorised	7,500.00	7,500.00
75,000,000 (31 March 2025: 75,000,000) equity shares of Rs. 10 each		
Issued	5,350.03	4,872.58
53,500,311 (31 March 2025: 48,725,814) equity shares of Rs. 10 each fully paid up		
Subscribed and Paid-Up	5,350.03	4,872.58
53,500,311 (31 March 2025: 48,725,814) equity shares of Rs. 10 each fully paid up	<u>5,350.03</u>	<u>4,872.58</u>

(a) Reconciliation of share capital

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Rs. in lakhs	No. of Shares	Rs. in lakhs
Balance as at the beginning of the year	4,87,25,814	4,872.58	4,87,25,814	4,872.58
Add: Shares issued during the year on preferential issue*	47,64,497	478.45	-	-
Add: Shares Issued during the year on exercise of employee stock options (Refer note 47)	10,000	1.00	-	-
Balance as at the end of the year	<u>5,35,00,311</u>	<u>5,350.03</u>	<u>4,87,25,814</u>	<u>4,872.58</u>

*During the year, the Company has issued 47,64,497 equity shares at an issue price of Rs. 73.46 per share on a preferential basis, in accordance with applicable provisions of the Companies Act, 2013 and SEBI ICDR Regulations.

(b) Rights, preferences and restrictions

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Bonus shares issued

On 12 December 2022, the Company has issued 32,483,876 equity shares of face value Rs. 10 each as fully paid up bonus shares. The Company has issued two bonus equity shares against one equity share held by its shareholders.

(d) Equity shares reserved for issue under employee stock options

For number of stock options against which equity shares to be issued by the Company upon vesting and exercise of those stock options and rights by the employees under Employee Stock Option Scheme. (Refer note 47)

(e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares:				
Anwar S. Daud*	1,33,36,320	24.93%	1,33,36,320	27.37%
Zulfikar Kamal	55,84,289	10.44%	-	-
Elimath Advisors Private Limited	47,64,497	8.91%	-	-
Florintree Trinetx LLP	-	-	58,55,824	12.02%
Elizabeth Malhew	-	-	-	-
Zakir Vali	50,47,420	9.43%	50,47,420	10.36%

* Including 1,500,000 shares jointly held with Tasneem Daud (wife of Anwar Daud).

(f) Details of shares held by promoters

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
As at 31 March 2026					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	24.93%	-2.44%
Zulfikar Kamal	11,85,260	-	11,85,260	2.23%	-0.22%
Tasneem A. Daud	30,000	-	30,000	0.06%	-0.01%
Shabbar S. Daud	42,000	-	42,000	0.08%	-0.01%
Sabbah Z. Kamal	15,00,000	-	15,00,000	2.80%	-0.27%
Hasan Kamal	1,04,400	-	1,04,400	0.20%	-0.02%
Farhat S. Daud	-	26,690	26,690	0.05%	0.05%
Total	<u>1,62,07,980</u>	<u>26,690</u>	<u>1,62,34,670</u>	<u>30.35%</u>	<u>-2.92%</u>
As at 31 March 2025					
Anwar S. Daud	1,33,36,320	-	1,33,36,320	27.37%	-
Zulfikar Kamal	11,85,260	-	11,85,260	2.45%	-
Tasneem A. Daud	30,000	-	30,000	0.06%	-
Shabbar S. Daud	42,000	-	42,000	0.09%	-
Sabbah Z. Kamal	15,00,000	-	15,00,000	3.08%	-
Hasan Kamal	1,04,400	-	1,04,400	0.21%	-
Total	<u>1,62,07,980</u>	<u>-</u>	<u>1,62,07,980</u>	<u>33.26%</u>	<u>-</u>



	As at	As at
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
17 Other equity		
Securities premium	3,814.62	802.98
General reserve	106.20	106.20
Retained earnings	16,980.68	16,393.98
Deemed equity contribution from shareholder	2,140.24	2,140.24
Share options outstanding reserve	243.44	135.40
Total	23,285.18	19,578.80
Securities premium		
Balance as at the beginning of the year	802.98	802.98
Additions during the year on preferential issue of equity shares	3,023.55	-
Additions during the year on exercise of stock options (Refer note 47)	12.21	-
Utilisation during the year for transaction cost of preferential issue of equity shares	(24.12)	-
Balance at the end of the year	3,814.62	802.98

Nature and Purpose - Security premium is used to record the premium on issue of shares, the reserve is utilised in accordance with the provisions of the Companies Act, 2013

	As at	As at
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
General reserve		
Balance as at the beginning of the year	106.20	106.20
Additions during the year	-	-
Utilisation during the year	-	-
Balance at the end of the year	106.20	106.20

Nature and Purpose - General reserve represents transfer portion of the net profit pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

Retained earnings		
Balance as at the beginning of the year	16,393.98	15,273.42
Net profit for the year	598.52	1,174.40
Other comprehensive income	(9.82)	(53.84)
Net surplus in the Statement of Profit and Loss	16,980.68	16,393.98

Nature and Purpose - Retained earnings represents the amount of accumulated earnings of the Company.

Deemed equity contribution from shareholder		
Balance as at the beginning of the year	2,140.24	2,140.24
Transaction during the year	-	-
Balance as at the end of the year	2,140.24	2,140.24

Nature and Purpose - The difference between the fair value of trade receivable proceeds from shareholder and the transaction price is recognised as a credit to the 'Deemed equity contribution from shareholder' under 'Other equity' in FY 2023-24 in accordance with the guidance under Ind AS 1- Presentation of Financial Statements, which states that transactions with shareholders (being the owners of Company), shall be recognized under Equity.

Share options outstanding reserve		
Balance at the beginning of the year	135.40	-
Add: Additions during the year	113.49	135.40
Less: To securities premium account on exercise of stock options	(5.45)	-
Balance at the end of the year	243.44	135.40

Nature and Purpose - Employee Stock Options represents the grant date fair value of options granted to employees under Employee Stock Option Scheme.

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	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
18 Borrowings (non-current)		
Secured		
Term Loans from banks:	4,724.06	5,585.04
From Non-Banking Financial Company (NBFC)	1,345.11	393.67
	6,069.17	5,958.71
Less: Current maturities of long term borrowings (Refer note 21)	(1,910.34)	(1,928.61)
	4,158.83	4,030.10

Nature of security and terms of repayment for secured borrowings

(i) Loan from a bank and a NBFC are secured by way of first charge on all present and future property, plant and equipment including Land & Building, Plant & Machinery and second charge on all current assets on pari passu basis with lead banker & other members under consortium arrangement. The loans are also secured by personal guarantee of managing director.

	As at 31 March 2026		As at 31 March 2025		Repayment terms
	Principal o/s (Rs. in lakhs)	Effective interest rate in %	Principal o/s (Rs. in lakhs)	Effective interest rate in %	
Indian rupee loan from banks					
Bank of India (Repayment start from: February 2022 and last installment in January 2028)	-	-	140.18	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly installments of Rs. 13.52 lakhs
Bank of India (Repayment start from: May 2022 and last installment in April 2026)	19.20	1 Year RBLR +1 % (9.10%)	126.98	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly installments of Rs. 9.58 lakhs
Bank of India (Repayment start from: November 2023 and last installment in October 2027)	128.48	1 Year RBLR +1 % (9.10%)	194.77	1 Year RBLR +1 % (9.25%)	Repayable in 48 equated monthly installments of Rs. 6.79 lakhs
Bank of India (Repayment start from: January 2023 and last installment in June 2026)	97.33	1 Year RBLR +0.85 % (8.95%)	405.85	1 Year RBLR +0.93 % (9.95%)	Repayable in 42 equated monthly installments of Rs. 27.78 lakhs
Bank of India (Repayment start from: August 2024 and last installment in July 2029)	566.67	1 Year RBLR +0.85 % (8.95%)	736.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly installments of Rs. 14.17 lakhs
Bank of India (Repayment start from: September 2023 and last installment in August 2026)	41.67	1 Year RBLR +0.85 % (8.95%)	141.67	1 Year RBLR +0.93 % (9.95%)	Repayable in 36 equated monthly installments of Rs. 8.33 lakhs
Bank of India (Repayment start from: December 2025 and last installment in November 2030)	457.43	1 Year RBLR +0.85 % (8.95%)	379.60	1 Year RBLR +0.93 % (9.95%)	Repayable in 60 equated monthly installments of Rs. 20.84 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: February 2024 and last installment in January 2028)	252.08	PLR minus 4.65% (9.25%)	389.57	PLR minus 11.20% (9.25%)	Repayable in 48 equated monthly installments of Rs. 11.46 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2024 and last installment in April 2029)	623.32	PLR minus 4.00% (9.90%)	1,083.32	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly installments of Rs. 21.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: June 2023 and last installment in November 2025)	-	-	53.33	PLR minus 10.70% (10.50%)	Repayable in 30 equated monthly installments of Rs. 6.67 lakhs
SVC Co-Operative Bank Limited, (Repayment start from: May 2025 and last installment in April 2030)	1,281.72	PLR minus 4.00% (9.90%)	1,365.75	PLR minus 10.70% (10.50%)	Repayable in 60 equated monthly installments of Rs. 26.67 lakhs
Indusind Bank Limited, (Repayment start from: July 2024 and last installment in June 2029)	1,183.53	Repo Rate (8.53%)	717.02	3 Month CD Rate (9.28%)	Repayable in 60 equated monthly installments of Rs. 22.50 lakhs
Indian rupee loan from Non-Banking Financial Company (NBFC)					
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in March 2029)	200.00	LTPLR plus 1.75% (10.50%)	300.00	LTLR minus 10.80% (10.95%)	Repayable in 60 equated monthly installments of Rs. 8.33 lakhs
Tata Capital Financial Services Limited (Repayment start from: April 2023 and last installment in September 2025)	-	-	99.99	LTLR minus 10.80% (10.95%)	Repayable in 30 equated monthly installments of Rs. 16.66 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2030)	750.00	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly installments of Rs. 20.83 lakhs
Tata Capital Financial Services Limited (Repayment start from: October 2025 and last installment in September 2029)	437.50	LTPLR plus 1.75% (10.50%)	-	-	Repayable in 48 equated monthly installments of Rs. 10.42 lakhs
Deferred expense towards processing fees is netted off against loan.	(149.76)		(175.99)		
	6,069.17		5,958.71		

Assets Pledged as security

The carrying amounts of assets Pledged as security for current and non-current borrowings are:

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Non-current assets		
- Property, plant and equipment (including leasehold land but excluding other right of use assets)	15,257.01	15,205.19
Current assets	25,243.13	21,634.71
Total assets Pledged as security	40,500.14	36,839.90
19 Lease liabilities (non-current)		
Lease liabilities (Refer note 41)	83.20	206.97
	83.20	206.97



20 Deferred tax liabilities (net)

The movement in deferred tax assets and liabilities during the year ended 31 March 2026 and 31 March 2025:

	(Rs. in lakhs)			
	As at 31 March 2025	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2026
Movement during the year ended 31 March 2025				
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1223.97	79.50	-	1,303.47
	<u>1,223.97</u>	<u>79.50</u>	<u>-</u>	<u>1,303.47</u>
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	124.07	135.34	-	259.41
Loss allowance - trade receivables	23.28	(8.76)	-	16.52
Provision for employee benefits	15.12	16.64	4.03	35.79
Right of use assets and lease liabilities (net)	(68.60)	18.32	-	(50.28)
	<u>93.87</u>	<u>163.54</u>	<u>4.03</u>	<u>261.44</u>
Deferred tax liabilities (net)	<u>1,130.10</u>	<u>(84.04)</u>	<u>(4.03)</u>	<u>1,042.03</u>

	(Rs. in lakhs)			
	As at 31 March 2024	(Credit)/charge in statement of profit and loss	(Credit)/charge in other comprehensive income	As at 31 March 2025
Movement during the year ended 31 March 2025				
Deferred tax liabilities				
Property, plant and equipment: Difference between carrying value as per Income Tax laws and carrying value as per books of account under Companies Act, 2013	1131.48	92.49	-	1,223.97
	<u>1,131.48</u>	<u>92.49</u>	<u>-</u>	<u>1,223.97</u>
Deferred tax assets				
Expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	15.87	108.20	-	124.07
Loss allowance - trade receivables	44.24	(20.96)	-	23.28
Provision for employee benefits	13.58	(20.57)	22.11	15.12
Right of use assets and lease liabilities (net)	47.70	(116.30)	-	(68.60)
	<u>121.39</u>	<u>(49.63)</u>	<u>22.11</u>	<u>93.87</u>
Deferred tax liabilities (net)	<u>1,010.09</u>	<u>142.12</u>	<u>(22.11)</u>	<u>1,130.10</u>

	As at 31 March 2026	As at 31 March 2025
	Rs. in lakhs	Rs. in lakhs

21 Borrowings (current)

Secured		
From Banks, repayable on demand		
- Cash credit / packing credit	5,982.75	5,248.07
Unsecured		
From supplier finance arrangements	250.21	-
Current maturities of long term borrowings (Refer note 18)	1,910.34	1,928.81
Interest accrued but not due on borrowings	16.26	11.77
	<u>8,139.56</u>	<u>7,188.45</u>

Cash credit/ packing credit from banks are secured by the first charge on all current assets both present and future and second charge on all the property, plant and equipment of the Company both present and future on pari passu basis with all members of consortium. The loans are secured by personal guarantee of Managing Director.

Supplier finance arrangement of the Company is characterised by finance provider offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangement at a date later than suppliers are paid. The arrangement provides the entity with extended payment terms compared to the related invoice payment due date. The range of payment due dates are 90-110 days.

22 Lease liabilities (current)

Lease liabilities (Refer note 41)	274.30	356.43
	<u>274.30</u>	<u>356.43</u>



	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
23 Trade payables		
Dues of micro enterprises and small enterprises (Refer note below)	847.20	688.46
Dues of creditors other than micro enterprises and small enterprises (Refer note 43)	6,811.22	6,518.14
	<u>7,658.42</u>	<u>7,166.60</u>

Disclosures required under Section 22 of the Micro, Small and Medium Enterprise Development (MSMED) Act, 2006
a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year

	847.20	688.46
- Principal amount due to micro and small enterprises	847.20	688.46
- Interest due on above	-	-
b. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprise Development Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006.	-	-
d. the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprise Development Act, 2006.	-	-

Note:- This information has been given in respect of such vendors to the extent they could be identified as Micro and Small enterprises on the basis of information available with the Company.

	Outstanding for following periods from due date of payment					(Rs. in lakhs)
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2026						
Total outstanding dues of micro enterprises and small enterprises	185.95	661.25	-	-	-	847.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,335.01	2,360.41	113.95	1.85	-	6,811.22
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	<u>4,520.96</u>	<u>3,021.66</u>	<u>113.95</u>	<u>1.85</u>	<u>-</u>	<u>7,658.42</u>
As at 31 March 2025						
Total outstanding dues of micro enterprises and small enterprises	460.55	207.91	-	-	-	688.46
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,336.19	2,180.10	1.85	-	-	6,518.14
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	<u>4,796.74</u>	<u>2,388.01</u>	<u>1.85</u>	<u>-</u>	<u>-</u>	<u>7,166.60</u>

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
24 Other financial liabilities (current)		
Un-claimed dividends*	3.68	9.23
Employee related liabilities	543.56	530.36
Payable for capital expenditure**	396.40	472.38
	<u>943.64</u>	<u>1,011.97</u>

* During the year unpaid dividend amount of Rs. 5.31 lakhs (pertaining to FY 2017-18) have been transferred to the Investor Education and Protection Fund under section 125 of the Companies Act, 2013.

** Includes payable to micro enterprises and small enterprises Rs. 168.89 lakhs (31 March 2025 : Rs. 104.27 lakhs)

25 Other current liabilities	1,051.15	249.22
Advance received from customers (Refer note 43)	190.06	230.84
Statutory dues	-	38.52
Others	<u>1,241.21</u>	<u>518.58</u>
26 Provisions		
Provision for employee benefits	85.94	67.90
Provision for compensated absences	<u>85.94</u>	<u>67.90</u>



	Year ended 31 March 2026	Year ended 31 March 2025
	Rs. in lakhs	Rs. in lakhs
27 Revenue from operations		
Sale of products		
Manufactured goods	35,062.53	34,427.66
Stock in trade	549.80	1,522.33
	<u>35,612.33</u>	<u>35,949.99</u>
Other operating revenue		
Product service income	912.04	1,080.01
Export incentives	516.64	490.96
Others (including scrap sale etc.)	7.14	42.59
	<u>1,435.82</u>	<u>1,613.56</u>
	<u>37,048.15</u>	<u>37,563.55</u>

A Disclosure as per Ind AS 115

The operations of the Company are limited to only one segment viz. pharmaceuticals and related products. Revenue from contract with customers is from sale of manufactured goods and rendering of research services. Sale of goods are made at a point in time and revenue is recognised upon satisfaction of the performance obligations which is typically upon dispatch / delivery. The Company has a credit evaluation policy based on which the credit limits for the trade receivables are established. There is no significant financing component as the credit period provided by the Company is not significant.

There are no significant variable components such as discounts, rebates, sales returns etc.

B Disaggregation of revenue:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
	Rs. in lakhs	Rs. in lakhs
A. Major Product/Service line:		
- Sale of pharmaceutical goods	35,612.33	35,949.99
- Product service income	912.04	1,080.01
- Others (Export incentives, others, etc.)	523.78	533.55
Total revenue from contracts with customers	<u>37,048.15</u>	<u>37,563.55</u>
B. Primary geographical market:		
-In India	5,944.28	6,658.94
-Outside India	31,103.87	30,906.61
Total revenue from contracts with customers	<u>37,048.15</u>	<u>37,563.55</u>
C. Timing of the revenue recognition:		
- Goods/services transferred at a point in time	37,048.15	37,563.55
- Goods/services transferred over time	-	-
Total revenue from contracts with customers	<u>37,048.15</u>	<u>37,563.55</u>

C Contract Balances

Significant changes in contract liabilities balances are as follows:

Contract Liabilities

Advance received from customers (Refer note 25)

Opening Balance	249.22	1,197.90
Add: Advance received during the year	7,148.46	5,797.63
Less: Revenue recognised/adjustment during the year	6,346.53	6,746.31
Less: Advance returned during the year	-	-
Closing balance	<u>1,051.15</u>	<u>249.22</u>

The contract liabilities primarily relate to the advance consideration received from customers for the sale of goods. This amount will be recognised as revenue within a period of one year.

28 Other income

Interest income on financial assets measured at amortised cost		
-Fixed deposits	15.35	4.55
-Others (including interest income on utility deposits , security deposits etc.)	15.57	26.88
Dividend income on investments	0.75	0.75
Foreign exchange gain (net)	770.26	420.59
Reversal of loss allowance - trade receivables (Refer note 38 (B))	23.20	71.97
Profit on sales of assets	255.19	12.12
Other non-operating income (includes liabilities no longer required written back etc.)	58.67	25.23
	<u>1,138.99</u>	<u>562.09</u>

29 Cost of materials consumed

Opening inventory	5,668.06	4,968.52
Add: Purchases	16,499.90	16,201.94
Less: Closing Inventory	5,848.91	5,668.06
	<u>16,319.05</u>	<u>15,500.40</u>

30 Purchase of stock in trade

	<u>746.83</u>	<u>1,157.82</u>
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	Year ended 31 March 2028 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
31 Changes in inventories of finished goods and work-in-progress		
At the end of the year		
Work-in-progress	537.99	745.21
Finished goods	<u>2,843.68</u>	<u>2,022.32</u>
	<u>3,381.67</u>	<u>2,767.53</u>
At the beginning of the year		
Work-in-progress	745.21	197.17
Finished goods	<u>2,022.32</u>	<u>2,697.01</u>
	<u>2,767.53</u>	<u>2,894.18</u>
	<u>(614.14)</u>	<u>126.65</u>
32 Employee benefits expenses		
Salaries, wages and bonus	5,363.76	5,108.49
Contribution to provident and other funds (Refer note 45(a))	205.55	187.66
Equity settled share based payments to employees (Refer note 47)	33.03	39.40
Gratuity expense (Refer note 45)	75.31	69.60
Staff welfare expenses	<u>332.20</u>	<u>235.47</u>
	<u>6,009.85</u>	<u>5,640.62</u>
33 Finance costs		
Interest costs		
on borrowings	1,123.43	926.94
on lease liabilities (Refer note 41)	52.27	77.49
on supplier finance arrangements	6.89	-
Interest on delayed payment of income tax	25.02	20.01
Other borrowing costs (including ancillary costs to borrowings)	<u>112.62</u>	<u>114.14</u>
	<u>1,320.23</u>	<u>1,138.58</u>
34 Depreciation and amortisation expenses		
Depreciation on property, plant and equipment (Refer note 3)	1,717.80	1,824.46
Amortisation of intangible assets (Refer note 5 (A))	<u>218.94</u>	<u>164.68</u>
	<u>1,936.74</u>	<u>1,989.14</u>
35 Other expenses		
Consumption of stores and spares	97.61	89.10
Power and fuel	1,796.53	1,719.34
Water charges	20.32	19.37
Insurance	100.26	67.54
Repairs and maintenance		
Machines	519.45	416.80
Buildings	220.06	41.38
Others	418.75	338.94
Contractual services (Refer note 45)	2,592.31	2,329.68
Printing & stationery	54.20	41.38
Communication costs	53.50	51.75
Legal and professional fees	1,473.63	1,394.88
Payment to auditors (Refer note below (a))	66.12	63.70
Advertisement & sales promotion	271.17	247.98
Travelling and conveyance	590.28	538.15
Commission on sales	1,308.11	1,258.66
Freight and forwarding charges	860.46	888.68
Bad debts written off	78.11	212.71
Rates and taxes	64.16	15.29
Property, plant and equipment written off	3.51	13.71
Rent (Refer note 41)	17.02	12.61
Laboratories Expenses	587.76	623.48
Corporate social responsibility expenses (Refer note 52)	53.49	48.53
Miscellaneous expenses (includes bank commission, factory expense etc.)	<u>383.75</u>	<u>379.34</u>
	<u>11,628.56</u>	<u>10,811.22</u>
Note		
(a) Payment to auditors (excluding taxes)		
For audit	60.00	51.75
For other services	3.50	10.00
For reimbursement of expenses	<u>2.62</u>	<u>1.95</u>
	<u>66.12</u>	<u>63.70</u>
36 Tax (expense)		
Current tax for the year (net of Minimum alternative tax utilisation Rs. Nil (31 March 2025: Rs 30.74 lakhs))	(327.85)	(396.83)
Tax adjustments pertaining to earlier years	0.31	(47.86)
Deferred tax expenses		
Increase / (Decrease) in deferred tax assets	167.57	(27.52)
(Increase) in deferred tax liabilities	<u>(79.50)</u>	<u>(92.49)</u>
	<u>88.07</u>	<u>(120.01)</u>
	<u>(239.47)</u>	<u>(564.70)</u>
Tax (expense) / credit recognised in Statement of profit and loss	(243.50)	(586.81)
Tax (expense) / credit recognised in other comprehensive income	4.03	22.11
	<u>(239.47)</u>	<u>(564.70)</u>
Tax reconciliation		
Profit before tax	840.02	1,761.21
Tax at the rate of 29.12% (31 March 2025: 29.12%)	(244.61)	(512.86)
Tax adjustment pertaining to earlier years	0.31	(47.86)
Tax effect of amounts which are mentioned below		
Permanent Disallowances	(7.28)	(5.82)
Allowances / Disallowances under specific provisions of Income tax act, 1981 (net)	27.03	1.84
Disallowance of Donation/Corporate social responsibility expenses	<u>(18.95)</u>	<u>(22.11)</u>
	<u>(243.50)</u>	<u>(586.81)</u>



ZIM Laboratories Limited
Material accounting policy information and other explanatory information for the year ended 31 March 2026

37 Fair value measurements

Financial Instruments by category:

All financial assets and financial liabilities, except investment in equity shares (not made in subsidiaries) of the Company are under the amortised cost measurement category at each of the reporting date.

Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received on selling of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company uses the following hierarchy for determining and disclosing the fair value of the financial instruments by valuation technique.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured at fair value at each reporting date

Investment in equity shares (other than subsidiaries) are measured at fair value through profit or loss at each reporting date.

Financial assets and financial liabilities measured at amortised cost, but for which fair values are disclosed as below:

	31 March 2026			31 March 2025			Carrying amount
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	
Financial liabilities							
Non-current borrowings (including current maturities)	-	6,069.17	-	-	6,069.17	-	5,956.71
Lease liabilities	-	-	357.50	-	357.50	-	563.40
Financial assets							
Non-current investment (excluding investment in subsidiaries)	-	-	5.00	-	5.00	-	5.00
Other financial assets	-	-	299.41	-	299.41	259.73	259.73

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of security deposits, trade receivables, current loans, other financial assets, fixed deposits with banks, current borrowings, trade payables, lease liabilities and other current financial liabilities are considered to be approximately equal to their fair value.

Valuation processes

The Company evaluates the fair value of financial assets and financial liabilities on periodic basis using the best and most relevant data available.



R.B.

38 Financial risk management
The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Risk Committee.

The Company is exposed to market risk, credit risk and liquidity risk.

A Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including deposits, foreign currency receivables, payables and loans and borrowings.

The Company manages market risk through a treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommend risk management objectives and policies, which are approved by Chief financial officer. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures like foreign exchange forward contracts, borrowing strategies and ensuring compliances with market risk limits and policies.

Market risk - Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regards to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

According to the Company, interest rate risk exposure is only for floating rate borrowings. For floating rate liabilities, the analysts is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Exposure to interest rate risk

Particulars	(Rs. in lakhs)	
	As at 31 March 2026	As at 31 March 2025
Total Borrowings	12,298.39	11,216.55
% of Borrowings out of above bearing variable rate of interest	100%	100%

Interest rate sensitivity

A change of 50 bps in interest rates would have following impact on profit before tax and Other Equity.

Particulars	(Rs. in lakhs)	
	Year ended 31 March 2026	Year ended 31 March 2025
50 bp increase would decrease the profit before tax by	(61.48)	(56.08)
50 bp decrease would increase the profit before tax by	61.49	56.08

Market risk - Foreign currency risk management

The Company operates internationally wherein portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales in overseas and purchases from overseas suppliers in various foreign currencies. Foreign currency exchange rate exposure is partly balanced by purchasing of goods, commodities and services in the respective currencies.

Unhedged foreign currency exposure

(a) Particulars of unhedged foreign currency exposures as at the reporting date
As at 31 March 2026

Particulars	USD		EURO		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	74.37	7,058.55	2.76	300.71	-	-	-	-	0.29	36.24
Trade payables	4.61	437.41	0.36	38.89	1.87	50.82	0.02	1.42	-	-
Advance received from customers	2.18	198.18	0.17	18.09	25.43	606.11	-	-	-	-
Balance in EEFC Account	0.00	0.04	-	-	-	-	-	-	-	-
PCFC and PFCC	10.00	948.55	-	-	-	-	-	-	-	-
Export commission	8.59	814.36	0.37	40.85	-	-	-	-	-	-



88

As at 31 March 2025

Particulars	USD		EUR		AED		CAD		GBP	
	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR	Foreign currency	INR
Trade receivable	81.14	6,938.51	4.91	452.56	6.04	140.60	0.32	19.31	0.66	73.48
Trade payables	13.16	1,124.82	0.37	33.73	-	-	0.01	0.36	-	-
Advance received from customers	2.72	235.07	-	-	-	-	-	-	-	-
Balance in EEFC-Account	0.29	24.50	-	-	-	-	-	-	-	-
PCFC and PFPC	8.54	760.16	-	-	-	-	-	-	-	-
Export commission	6.04	516.61	0.93	86.04	0.93	21.53	-	-	-	-

Sensitivity to foreign currency risk (Rs. in lakhs)

Particulars	Impact on profit before tax and Other Equity	
	Year ended 31 March 2026	Year ended 31 March 2025
USD sensitivity		
INR / USD	233.00	217.72
Increase by 5%	(233.00)	(217.72)
Decrease by 5%		
EURO sensitivity		
INR / Euro	10.14	16.64
Increase by 5%	(10.14)	(16.64)
Decrease by 5%		
AED sensitivity		
INR / AED	(32.85)	5.95
Increase by 5%	32.85	(5.95)
Decrease by 5%		
CAD sensitivity		
INR / CAD	(0.07)	0.95
Increase by 5%	0.07	(0.95)
Decrease by 5%		
GBP sensitivity		
INR / GBP	1.81	3.67
Increase by 5%	(1.81)	(3.67)
Decrease by 5%		

B Credit risk

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of default occurring on asset as at the reporting date with the risk of default as at the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- i) Actual or expected significant adverse changes in business,
- ii) Actual or expected significant changes in the operating results of the counterparty,
- iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations,
- iv) Significant increase in credit risk on other financial instruments of the same counterparty,
- v) Significant changes in the value of the collateral supporting the obligation or in the quality of the third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectations of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized as income in the statement of profit and loss.

The presumption under Ind AS 109 with reference to significant increase in credit risk since initial recognition (when financial assets are more than 30 days past due), has been rebutted and is not applicable to the Company, as the Company is able to collect a significant portion of its receivables that exceed the due date and the receivables past due by 90 days are considered generally as significant increase in credit risk.

Credit risk management

To manage credit risk, the Company periodically assesses the financial reliability of customers and other counterparties, taking into account the financial condition, current economic trends, analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly. There is no significant concentration of credit risk.

Bank balances are held with only high rated banks and majority of security deposits are placed majority with government agencies. Trade receivables are generally recovered within the credit period. The Company measures the expected credit loss of trade receivables and loan from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends. Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.



R.P.C.

Ageing of Trade receivables

	Not due	(Rs. in lakhs)				Total
		0-12 months	1-2 years	2-3 years	more than 3 years	
As at 31 March 2025						
Gross Carrying amount of - trade receivables	6,679.15	2,499.81	79.49	5.11	21.58	9,285.14
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.16%	0.63%	29.35%	67.84%	-
Expected credit loss - trade receivables	0.71	3.98	0.50	1.50	14.64	21.34
Expected credit loss - contract assets	-	-	-	-	-	-
Expected credit impaired - trade receivables	-	-	-	-	-	-
Expected credit impaired - contract assets	-	-	-	-	-	-
Carrying amount of trade receivables	6,678.44	2,495.82	50.49	3.61	6.94	35.44
Carrying amount of contract assets	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	-	-	-	-	-
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-
As at 31 March 2026						
Gross Carrying amount of - trade receivables	7,864.65	1,470.01	32.68	51.55	29.25	9,448.04
Gross Carrying amount of - contract assets	-	-	-	-	-	-
Expected credit loss - trade receivables (%)	0.01%	0.16%	2.15%	0.00%	100.00%	-
Expected credit loss - trade receivables	1.16	2.39	0.70	-	29.25	33.50
Expected credit loss - contract assets	-	-	-	-	-	-
Expected credit impaired - trade receivables	-	-	-	-	-	-
Expected credit impaired - contract assets	-	-	-	-	-	-
Carrying amount of trade receivables	7,863.49	1,467.62	31.88	45.48	46.48	46.48
Carrying amount of contract assets	-	-	-	-	-	-
Carrying amount of trade receivables (net of impairment)	-	-	-	-	-	-
Carrying amount of contract assets (net of impairment)	-	-	-	-	-	-

Financial Assets are considered to be of good quality and there is no significant increase in credit risk.

Reconciliation of loss allowance of trade receivables

	(Rs. in lakhs)	
	As at 31 March 2025	As at 31 March 2026
Balance at the beginning of the year	151.95	79.98
Additions	37.18	28.50
Reversal against recoveries/ bad debts	(109.19)	(51.70)
	(71.97)	(23.20)
Balance at the end of the year	79.98	56.78

C

Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. For the Company, liquidity risk arises from obligations on account of financial liabilities - borrowings, trade payables, lease liabilities and other financial liabilities.

Liquidity risk management

The Company's corporate treasury department is responsible for liquidity and funding as well as settlement management. The processes and policies related to such risks are overseen by Chief financial officer. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

Maturities of non - derivative financial liabilities

Particulars	(Rs. in lakhs)				Total
	0 month to 1 year	Between 1 and 5 years	Beyond 5 years		
As at 31 March 2025					
Non-current borrowings (including current maturities) (non-discounted)	2,496.95	4,078.14	-	7,377.08	
Current borrowings	5,962.75	-	-	5,962.75	
Interest accrued but not due on borrowings	16.26	-	-	16.26	
Trade payables	7,658.42	-	-	7,658.42	
Lease liabilities (non-discounted)	913.97	-	-	913.97	
Other current financial liabilities	643.64	-	-	643.64	
Total	17,393.89	4,968.83	-	22,362.71	



R.R.

As at 31 March 2025	0 month to 1 year	Between 1 and 5 years	Beyond 5 years	Total
Particulars				
Non-current borrowings (including current maturities) (non-discounted)	2,444.33	4,322.65	-	7,467.18
Current borrowings	5,246.07	-	-	5,246.07
Interest accrued but not due on borrowings	11.77	-	-	11.77
Trade payables	7,186.60	-	-	7,186.60
Lease liabilities (non-discounted)	494.10	404.57	-	898.67
Other current financial liabilities	1,011.97	-	-	1,011.97
Total	16,394.84	5,327.42	-	21,722.26

39 Capital management

Risk management

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company has complied with financial covenants.

The capital composition is as follows:

Net debt

Total equity

Net debt to equity ratio

	As at 31 March 2025	As at 31 March 2025
	Rs. in lakhs	Rs. in lakhs
Net debt	10,418.52	11,160.19
Total equity	28,635.21	24,451.88
Net debt to equity ratio	36%	46%

includes non-current borrowings (including current maturities), current borrowings and interest accrued but not due on borrowings (net of cash and cash equivalents)

40 Changes in liabilities arising from financing activities

	(Rs. in lakhs)	
	As at 31 March 2024	As at 31 March 2025
Cash and cash equivalents	17.35	35.36
Non-current borrowings (including current maturities)	(5,117.32)	(5,958.71)
Current borrowings	(5,246.07)	(5,246.07)
Lease liabilities	(16.26)	(11.77)
Interest accrued but not due on borrowings	(10,776.32)	(11,743.59)
Net Debt	(10,776.32)	(11,743.59)

	(Rs. in lakhs)					
	Cash and cash equivalents	Non-current borrowings (including current maturities)	Current borrowings	Lease liabilities	Interest accrued but not due on borrowings	Total
Net as at 01 April 2024	17.35	(900.35)	(5,246.07)	(542.13)	(13.98)	(11,160.04)
Cash flows (net)	19.01	88.99	252.65	356.16	-	(300.50)
Adjustments on account of financial liabilities measured at amortised cost	-	-	5.24	(379.43)	-	(280.44)
Exchange differences	-	-	-	-	-	5.24
Finance cost expense	-	-	-	-	(1,138.58)	(1,138.58)
Finance cost paid	-	-	-	-	1,140.79	1,140.79
Net as at 31 March 2025	36.36	(811.36)	(5,246.07)	(663.40)	(11.77)	(11,743.59)
Cash flows (net)	1,843.21	(84.22)	(534.05)	395.88	-	(214.22)
Adjustments on account of financial liabilities measured at amortised cost	-	(26.24)	-	(187.98)	-	(32.81)
Exchange differences	-	-	(32.81)	-	-	(32.81)
Finance cost expense	-	-	-	-	(1,320.23)	(1,320.23)
Finance cost paid	-	-	-	-	1,315.74	1,315.74
Net as at 31 March 2025	1,879.57	(6,069.17)	(6,212.95)	(357.50)	(16.26)	(10,776.32)



R.B.

ZIM Laboratories Limited
Material accounting policy information and other explanatory information to the standalone financial statements for the year ended 31 March 2026

41 Leases

Particulars	(Rs. in lakhs)	
	As at 31 March 2026	As at 31 March 2025
Right of use Assets (Refer note 3):		
Leasehold Land*	1228.12	1067.28
Other Right of use Assets	83.29	103.62
Buildings	297.06	519.33
Plant and equipment	380.37	622.95
	1,608.49	1,690.23
Lease liabilities		
Current (Refer note 22)	274.30	356.43
Non-current (Refer note 19)	83.20	206.97
	357.50	563.40

* There are no lease liabilities in respect of the leasehold land as the entire amount has been paid upfront on the date of the execution of the lease agreement with respective authorities.

Amounts recognised in statement of profit and loss	(Rs. in lakhs)	
	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation charge on (Refer note 3)		
Leasehold Land	14.27	12.88
Other Right of use Assets	86.37	71.06
Buildings	372.39	370.07
Plant and equipment	460.76	441.13
	475.03	454.01
Interest expense included in finance cost (Refer note 33)		
Expense relating to short-term leases (Refer note 35)	52.27	77.49
Expense relating to leases of low-value assets that are not shown above as short-term leases	17.02	12.61
Expense relating to variable lease payments not included in lease liability	-	-
Total cash outflow for leases during current financial year (excluding short term leases)	393.88	358.16
Additions to the right of use assets during the current financial year	646.34	911.61

42

Research and development expenditure

Year ended 31 March 2026	Year ended 31 March 2025
Rs. in lakhs	Rs. in lakhs
1,894.08	2,171.63
36.63	132.00
2,030.71	2,303.63

Revenue expenditure charged to Statement of Profit and Loss (under notes 32, 34 and 35)
Capital Expenditure (under notes 3 and 4)



R.B.

43 Related Party Disclosures

As per Ind AS 24 "Related Party Disclosures", disclosure of transactions, balances and guarantees with the related parties as defined in the Indian Accounting Standard are given below:

A. List of related parties and relationship (to the extent where transactions have taken place and relationship of control) :**(i) Subsidiaries**

ZIM Health Technologies Limited, India	Wholly Owned Subsidiary Company
SIA ZIM Laboratories Limited, Latvia	Wholly Owned Subsidiary Company
ZIM Laboratories FZE,UAE	Wholly Owned Subsidiary Company
ZIM Thinorals Private Limited, India	Wholly Owned Subsidiary Company
ZIMTAS PTY Limited, Australia	Subsidiary Company
ZIM Laboratories Middle East DMCC,UAE (up to 23 February 2026)	Step-down Subsidiary Company
ZIM Scientific Office L.L.C,UAE (w.e.f. 15 November 2024)	Step-down Subsidiary Company

(ii) Key Managerial Personnel

Dr. Anwar S. Daud	Managing Director and shareholder with significant influence
Mr. Zulfiqar Kamal	Director (Finance)
Mr. Niraj Dhadiwal	Executive Director
Mr. Prakash Sapkal	Executive Director
Mr. Padmakar Joshi	Independent Director
Mrs. Kavita Loya	Independent Director
Dr. Kamlesh Shende	Independent Director
Dr. Kakasaheb Mahadik (upto 31 March 2025)	Independent Director
Mr. Ashok Bhatia (w.e.f. 01 April 2025)	Independent Director
Mr. Piyush Nikhade	Company Secretary & Compliance Officer
Mr. Shyam Mohan Patro	Chief Financial Officer

(iii) Other significant influences

Elizabeth Mathew (upto 11 November 2025)	Shareholder exercising significant influence
Elimath Advisors Private Limited (w.e.f. 11 November 2025)	Shareholder exercising significant influence
Zakir Vali (upto 13 March 2026)	Shareholder exercising significant influence

B. Nature of transactions:

	Year ended	Year ended
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
1) Remuneration*		
Dr. Anwar S. Daud	154.08	146.74
Mr. Zulfiqar Kamal	101.88	91.88
Mr. Niraj Dhadiwal	95.81	100.23
Mr. Prakash Sapkal	85.05	101.91
Mr. Piyush Nikhade	52.37	43.14
Mr. Shyam Mohan Patro	90.79	81.05
2) Director's fees		
Mr. Padmakar Joshi	7.00	7.00
Mrs. Kavita Loya	9.00	9.00
Dr. Kamlesh Shende	7.00	7.00
Dr. Kakasaheb Mahadik	-	7.00
Mr. Ashok Bhatia	20.00	-
3) Professional fees (expenses)		
ZIM Health Technologies Limited, India	267.72	357.79
ZIM Laboratories FZE,UAE	46.59	-
4) Rent paid		
Dr. Anwar S. Daud	29.25	28.45
5) Sale of products		
ZIM Laboratories FZE,UAE	2,778.38	3,219.28
ZIM Scientific Office L.L.C,UAE	91.51	-
6) Investment (in equity shares)		
SIA ZIM Laboratories Limited, Latvia	291.75	316.84
ZIMTAS PTY Limited, Australia	89.45	68.25
7) Deemed Investment (Refer note 6)		
ZIM Health Technologies Limited, India	80.46	96.00
8) Share Application Money received, shares were allotted during the year under ESOS		
Mr. Piyush Nikhade	2.32	-
Mr. Shyam Mohan Patro	3.10	-



	As at	As at
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
C. Balances outstanding at year end (#)		
Payable to Key Managerial Personnel		
Dr. Anwar S. Daud	8.02	6.34
Mr. Zulfiqar Kamal	5.74	3.47
Mr. Niraj Dhadiwal	4.38	3.94
Mr. Prakash Sapkal	3.43	1.81
Mr. Piyush Nikhade	1.53	1.66
Mr. Shyam Mohan Patro	3.71	3.34
Trade payable		
Dr. Anwar S. Daud	6.16	6.40
Mr. Padmakar Joshi	0.53	1.58
Mrs. Kavita Loya	0.68	2.03
Dr. Kamlesh Shende	0.53	1.58
Dr. Kakasaheb Mahadik	-	1.58
ZIM Health Technologies Limited, India	381.07	303.58
ZIM Laboratories FZE,UAE	46.59	-
Advance received from customers		
ZIM Laboratories FZE,UAE	602.77	-
Trade receivables		
ZIM Laboratories FZE,UAE	-	196.11
Key Managerial Personnel' compensation		
	Year ended	Year ended
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
a) Short- term employee benefits	608.36	584.72
b) Post- employment benefits	14.62	10.23
Total compensation	622.98	594.95

* The remuneration to key management personnel does not include provision for employee benefits determined on actuarial basis.

Equity investments by the Company and equity Infusion Into the Company are not considered for disclosure as these are not considered "outstanding" exposures". Refer notes 6 and 16 for the same.

All the transactions stated above with related parties are on arm's length basis and in normal course of business.

All borrowings are guaranteed by the managing director of the Company (Refer notes 18 and 21).

	As at	As at
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
44 Contingent liabilities and commitments		
(A) Contingent liabilities		
Income Tax Assessments for earlier years for disallowance of expenditure, pending in appeal	395.95	395.95
Input tax credit mismatch under GST , pending in appeal	28.73	-
Import Duty saved under the Advance License scheme considering export obligation to be fulfilled within the period allowed	585.07	57.89
Notes:		
1. The Company does not expect any reimbursement in respect of the above contingent liabilities.		
2. It is not practical to estimate the timing of cash outflows, if any, in respect of matters above, pending resolution/completion of the appellate proceedings/other proceedings, as applicable.		
(B) Commitments		
Estimated value of contracts in capital account remaining to be executed (net of capital advance)	1,100.09	1,117.88



45 Employee benefits

As per Indian Accounting Standard-19, 'Employee Benefits', the disclosure of Employee benefits as defined in the Standard are given below:

(a) Defined Contribution Plan:

Contribution to Defined Contribution Plan, recognized as expense for the year are as under:

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Employer's Contribution to Provident fund	141.08	146.02
Employer's Contribution to ESIC	8.61	8.52
Employer's Contribution to Labour welfare fund	0.74	0.79
Employer's Contribution to Pension fund	55.12	32.33
	205.55	187.66

(b) Defined Benefits Plan :

Gratuity

Under the gratuity plan, every employee is entitled to the benefit equivalent to fifteen days salary (as per last drawn salary) for each completed year of service or part thereof in excess of six months depending on the date of joining and eligibility terms, in terms of provisions of the Payment of Gratuity Act, 1972 and Code on Wages, 2019. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service for permanent employees and one years of continuous service for fixed term employees. Liabilities for such benefits are provided on the basis of valuation, as at the balance sheet date, carried out by an independent actuary. The actuarial valuation method used by an independent actuary for measuring the liability is the Projected Unit Credit method. The scheme is funded with an insurance company in the form of qualifying insurance policy for permanent employees and unfunded for fixed term employees classified as part of "Contractual services"

Changes to Employee Benefits upon notification of Labour Codes

The Government of India notified the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "Labour Codes"). These Labour Codes, which have become effective from 21 November 2025, consolidate and rationalise 29 labour laws and introduce, among other matters, a uniform definition of "Wages". Also the Labour Codes have modified certain employee benefits and eligibility conditions in respect of those benefits. Accordingly, during the year, the Company has recognised past service cost on account of eligibility of fixed term employees under Gratuity benefits in the Statement of Profit and Loss and classified as part of "Contractual services".

	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Mortality Table	Indian Assured Lives Mortality (2012-14) Urban	Indian Assured Lives Mortality (2012-14) Urban
Discount rate	7.23%	6.65%
Discount rate- fixed term employees	6.48%	-
Salary growth rate	5.00%	5.00%
Withdrawal rate	12.00%	12.00%
Withdrawal rate- fixed term employees	0.00%	-
Expected rate & return on Plan assets	7.23%	6.65%
Expected rate & return on Plan assets- fixed term employees	N.A.	-

Changes in the Fair value of Plan Assets

Present Value of Plan Assets at the beginning of the year	1,055.07	931.68
Interest Income	70.16	66.99
Employer's Contribution	12.98	54.45
Benefits Paid	-	-
Actuarial adjustment: Return on plan assets, excluding amount recognised in net interest expense	(2.22)	1.95
Fair Value of Plan Assets at the end of the year	1,135.99	1,055.07

Changes in the Present Value of Obligation

Present Value of Obligation at the beginning of the year	999.70	898.64
Current Service Cost	78.99	71.97
Interest Expenses or Cost	68.48	64.61
Re-measurement (or Actuarial) (gain) / loss arising from:		
- change in the demographic assumptions	-	-
- change in the financial assumptions	(28.25)	24.27
- experience variance (i.e. Actual experience v/s assumptions)	39.87	53.63
Past Service Cost	41.90	-
Benefits Paid	(92.69)	(113.42)
Present Value of Obligation at the end of the year	1,106.00	999.70

Amount recognised in the Balance Sheet

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Present Value of Obligation at the end of the year	1,106.00	999.70
Fair Value of Plan Assets at the end of the year	(1,135.99)	(1,055.07)
Net (Asset) recognised at the end of the year	(29.99)	(55.37)

Percentage of each category of plan assets to total fair value of plan assets as at year end:

Administered by Life Insurance Corporation of India	100.00%	100.00%
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	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
Expenses recognised in the Statement of Profit and Loss		
Current service cost	78.99	71.97
Past service cost	41.90	-
Loss / (Gain) on settlement	-	-
Net Interest cost / (income) on the Net Defined Benefit Liability / (Asset)	(3.68)	(2.37)
Total expenses recognised in the Statement of Profit and Loss	117.21	69.60
Actuarial (gain) / loss		
Actuarial (gain) / loss on Obligation for the period	11.63	77.90
Return on Plan Assets, excluding interest income	2.22	(1.95)
Actuarial (gain) / loss recognised in Other Comprehensive Income	13.85	75.95

	As at 31 March 2026	As at 31 March 2025
Maturity Profile of Defined Benefit Obligation		
Weighted average duration (based on discounted cash flows)	6 years	6 years
Weighted average duration (based on discounted cash flows)- fixed term employees	2 years	-

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Expected cash flows over the next (valued on undiscounted basis) as follows :		
Year 1	182.44	181.45
Year 2	169.45	113.25
Year 3	138.93	116.39
Year 4	137.62	115.22
Year 5	127.86	115.52
Thereafter	871.57	813.10

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase, withdrawal rate and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of the sensitivity analysis is given below:

	As at 31 March 2026 Rs. in lakhs	As at 31 March 2025 Rs. in lakhs
Defined Benefit Obligation (Base)	1,106.00	999.70
	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
	Decrease	Increase
Discount Rate (-/+ 1%)	50.16	(45.54)
(% change compared to base due to sensitivity)	4.5%	-4.1%
Salary Growth Rate (-/+ 1%)	(42.19)	44.61
(% change compared to base due to sensitivity)	-3.8%	4.0%
Attrition Rate (+/- 1%)	(6.15)	5.46
(% change compared to base due to sensitivity)	-0.6%	0.5%
	Decrease	Increase
	48.63	(43.95)
	4.9%	-4.4%
	(41.11)	43.84
	-4.1%	4.4%
	(4.62)	4.09
	-0.5%	0.4%

(c) Compensated absences

The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year and net charge to the Statement of Profit and Loss for the year under "Employee benefits expenses" is Rs. 226.78 lakhs (Previous Year: Rs. 205.89 lakhs) and under "Contractual services" is Rs. 3.15 lakhs (Previous Year: Rs. Nil).

46 Segment information

The Company is primarily engaged in the business of pharmaceuticals. The Company has entrusted decision making authority to the Managing Director (highest authority) who is the Chief Operating Decision Maker (CODM) who has complete control over the operating decisions and is responsible for the information presented to the Board of Directors. Managing Director reviews the Company's performance based on the analysis of the Profit Before Tax (PBT) at an overall entity level and therefore there is no other separate reportable segment for the Company as defined by Ind AS 108 "Operating Segment".

Information about geographical areas are as under :

Particulars	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
	Revenue from operations*	5,944.28	31,103.87	37,048.15	6,656.94	30,906.61
Carrying amount of segment assets (non-current)**	21,959.59	3,217.00	25,176.59	20,702.88	2,475.14	23,178.02
Carrying amount of segment assets (current)***	14,140.85	7,395.50	21,536.35	13,969.19	7,575.98	21,545.17
Capital expenditure for the year	3,420.32	891.85	4,312.17	4,079.09	815.55	4,894.64
- Tangible	3,346.10	-	3,346.10	4,067.96	-	4,067.96
- Intangible	74.22	891.85	966.07	11.13	815.55	826.68

The accounting policies of the reportable segments are the same as the Company's accounting policies described in note 2.1

*As per Ind AS 108 - Operating Segments, the Company is required to disclose revenue from individual external customers when it is 10 per cent or more of entity's revenue. Details of individual external customers has revenue equal to or more than 10 per cent Company's revenue are as follows :

Customer	31 March 2026			31 March 2025		
	In India	Outside India	Total	In India	Outside India	Total
	Customer A	-	6,002.57	6,002.57	-	5,591.41

**The carrying amount of non-current segment assets exclude financial assets, income tax assets (net).

***The carrying amount of current segment assets exclude Cash and cash equivalents, Bank balances other than cash and cash equivalents & Interest receivable.



	31 March 2026 Rs. in lakhs	31 March 2025 Rs. in lakhs
47 Share based payments		
Equity settled share based payments to employees	33.03	39.40
Share options outstanding reserve	243.44	135.40

Resolution passed by Nomination & Remuneration committee and Board at its meeting dated 23 December 2023 and the shareholders through postal ballot on 28 January 2024 had approved the 'ZIM Laboratories Employee Stock Option Scheme 2023' ("ESOS 2023"/ "Scheme"), to create, offer, issue, grant and allot from time to time, in one or more tranches, not exceeding 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) employee stock options ("Options") to the eligible employees of the Company and/or its subsidiary companies exercisable into not more than 994,404 (Nine Lakhs Ninety-four Thousand Four Hundred and Four) equity shares.

During the previous year, The Nomination and Remuneration Committee in its meeting held on 13 April 2024 granted 687,257 options to the eligible employees of the Company and the subsidiary at an exercise price of Rs. 77.40. Remaining options of 307,147 are available in the ESOP Pool to be granted to the employees of the Company and its subsidiaries.

I. The position of the ESOS of the Company as at 31 March 2026 is as under:

S.No.	Particulars	ESOS
1	Total number of stock options approved	994,404
2	Maximum term of Options granted (years)	2 years from date of last vesting or 6 years from the date of grant
3	Source of shares (Primary, Secondary or combination)	Primary
4	Variation in terms of options	No variation
5	Exercise Price per option	at a discount of 20% on market price on grant date (i.e. Rs 77.40)
6	The exercise period	Exercise anytime within two year from date of vesting
7	Weighted average exercise price* (Rs.)	77.40
8	Weighted average remaining life (in years)	4

*The Black Scholes valuation model has been used for computing weighted average fair value of option on grant date considering the following information:

Particulars	Particulars
1. Risk Free Interest Rate	7.01%
2. Expected Life (year)	4
3. Expected Volatility	55.79%
4. Dividend Yield	0.00%

II. Weighted average exercise price of options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	77.40

III. Weighted average fair value of options granted during the year whose

Exercise price equals to market price of the stock	Nil
Exercise price exceeds market price of the stock	Nil
Exercise price is less than the market price of the stock	54.44

IV. The movement of stock options during the year ended 31 March 2026 are summarized below:

Particulars	Number of options
Options outstanding at the beginning of the year	6,87,257
Options Forfeited / lapsed during the year	Nil
Options granted during the year	Nil
Options vested during the year	68,726
Options exercised during the year	10,000
Total number of shares arising as a result of exercise of options	10,000
Money realised by exercise of options	7,74,000
Expired during the year	Nil
Options outstanding at the end of the year	6,77,257
Options exercisable at the end of the year	58,726

V. The exercise price and expected remaining contractual life (comprising the vesting period and exercise period) of options outstanding as at 31 March 2026 is as follows:

Grant Date	Number of options	Vesting Date	Exercise End Date	Exercise Price	Expected remaining contractual life
13 April 2024	68,726	14 April 2025	13 April 2027	77.40	1.04
13 April 2024	1,37,451	14 April 2026	13 April 2028	77.40	2.04
13 April 2024	2,06,177	14 April 2027	13 April 2029	77.40	3.04
13 April 2024	2,74,903	14 April 2028	13 April 2030	77.40	4.04

VI. Cash inflow on exercise of options and weighted average share price at the date of exercise: Not applicable, as options not exercised during the year.

VII. The estimates of future cash inflow that may be received upon exercise of options:

Particulars	(Rs. lakhs)	
	Year ended 31 March 2026	Year ended 31 March 2025
Within one year	106.39	53.19
Between two years to five years	372.36	478.75



	Year ended 31 March 2026 Rs. in lakhs	Year ended 31 March 2025 Rs. in lakhs
48 Earnings per share		
I. Profit Computation for both Basic and Diluted Earnings per share: Net Profit attributable to equity share holders	596.52	1,174.40
II. Computation of weighted average number of equity shares :		
Weighted average number of equity shares in calculating basic EPS	4,89,79,144	4,87,25,814
Weighted average number of equity shares in calculating diluted EPS	4,89,79,144	4,87,25,814
III. Earnings Per Share:		
Basic Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.22	2.41
Diluted Earning Per Share (Rs.) (Face value of Rs. 10 per share)	1.22	2.41
49 Earnings in foreign currency (accrual basis)		
Exports at F.O.B. value	29,574.47	29,167.42
Product service income	912.04	1,079.94
	30,486.51	30,247.36

50 Ratio Analysis and its elements

Ratio	Basis		Year ended 31 March 2026	Year ended 31 March 2025	% change
Current ratio	Current Assets Current Liabilities	Times	1.36	1.30	4%
Debt- Equity Ratio	Total Debt Total Equity	%	43%	46%	-6%
Debt Service Coverage Ratio	Earnings for debt service (Note a) Debt Service	Times	1.11	1.63	-32%
Return on Equity Ratio	Profit After Tax Average Equity	%	2.25%	4.93%	-54%
Inventory Turnover Ratio	Cost of Goods Sold Avg. Inventory	Times	1.83	2.00	-9%
Trade Receivable Turnover Ratio	Revenue from Sale of Products Average Trade Receivables	Times	3.83	3.71	3%
Trade Payable Turnover Ratio	Net Credit Purchase Average Trade Payables (Note b)	Times	3.98	4.42	-10%
Net Capital Turnover Ratio	Revenue from Operations Working Capital (Note c)	Times	5.58	7.49	-26%
Net Profit Ratio	Net Profit After Tax Revenue from operations	%	1.61%	3.13%	-48%
Return on Capital Employed	Earnings before Interest and Tax (Note d) Capital Employed (Note e)	%	5.64%	8.34%	-32%
Operating Profit Margin	Earnings before Interest and Tax (Note d) Revenue from operations	%	5.83%	7.72%	-24%
Basic EPS	Net Profit attributable to equity share holders Weighted average number of equity shares	Times	1.22	2.41	-49%
Interest coverage ratio	Earnings before Interest and Tax (Note d) Finance costs	Times	1.64	2.55	-36%
Return on Investment			NA (Note f)	NA (Note f)	

Note:

- a) Earnings for Debt Service = Net Profit after tax + Depreciation and amortisation expense + Finance costs (recognised excluding lease), Debt Service = Principal Repayments + Finance costs (recognised excluding lease)
- b) Average Trade Payables = Average Trade payables for the materials purchase
- c) Working Capital = Current Assets - Current Liabilities
- d) Earnings before Interest and Tax = Profit before tax + Finance costs (recognised excluding lease)
- e) Capital Employed = Average of equity and total borrowings
- f) The Company has investments in subsidiaries and other insignificant trade investment.

Reasons for ratio variances exceeding 25%

- (i) Debt Service Coverage Ratio: Decreased by 32% in the current year due to decrease in profitability and increased finance costs and borrowings of the Company
- (ii) Return on Equity Ratio: Decreased by 54% in the current year due to decrease in profitability of the Company
- (iii) Net Capital Turnover Ratio : Decreased by 26% in the current year due to increased working capital of the Company
- (iv) Net Profit Ratio: Decreased by 48% in the current year due to decrease in profitability and increased finance costs of the Company
- (v) Return on Capital Employed: Decreased by 32% in the current year due to decrease in profitability of the Company
- (vi) Basic EPS: Decreased by 49% in the current year due to decrease in profitability of the Company
- (vii) Interest coverage ratio: Decreased by 36% in the current year is mainly due to decrease in profitability and increased finance costs on account of working capital

- 51 The Company has used an accounting software for maintaining its books of accounts for the year ended 31 March 2026 which has a feature of recording audit trail (edit log) facility and the audit trail feature at the application level has operated throughout the year for all relevant transactions recorded in the software. However, with respect to audit trail at database level, audit trail login was available but DML (Data Manipulation Language) operations relating to change data was not enabled. Subsequent to the year ended 31 March 2026, the Company has enabled DML operations relating to change data at database level. Additionally, the audit trail that was enabled and operated at application level for the year ended 31 March 2026 has been preserved by the Company as per the statutory requirements for record retention.



52 Contribution towards Corporate Social Responsibility (CSR)

Section 135 of the Companies Act, 2013 and Rules made thereunder prescribe that every company having a net worth of Rs. 500 crore or more, or turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year shall ensure that the company spends, in every financial year, at least 2% of the average net profits earned during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. The provisions pertaining to corporate social responsibility as prescribed under the Companies Act, 2013 are applicable to the Company. The financial details as sought by the Companies Act, 2013 are as follows :

Particulars	Year ended	Year ended
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
Average net profit of the Company for last three financial years	2,550.15	2627.84
Prescribed CSR expenditure (2% of the average net profit as computed above)	51.00	52.56
Details of CSR expenditure during the financial year :		
(a) Total amount required to be spent for the financial year	51.00	52.56
(b) Amount approved by the Board to be set-off for the financial year	-	4.06
(c) Amount approved by the Board to be spent for the financial year	53.74	48.53
	In cash	Yet to be paid in cash
(d) Amount spent for the financial year ending on 31March 2026 :		Total
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	53.49	53.49
(e) Amount spent for the financial year ending on 31March 2025:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	48.53	48.53
	Year ended	Year ended
	31 March 2026	31 March 2025
	Rs. in lakhs	Rs. in lakhs
(f) Details related to spent/ unspent obligations :	53.49	48.53
(i) Rural support programme and other activities mentioned in Schedule VII of the Companies Act, 2013	-	-
(ii) Unspent amount in relation to :	-	-
-Ongoing project	-	-
-Other than ongoing project	-	-
	53.49	48.53

In case of Section 135(5) (Other than ongoing Project)				
Opening Balance	Amount deposited in Specified Fund of Schedule VII within 6 months	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	-	51.00	53.49	2.49

In case of Section 135(5) Excess amount spent			
Opening Balance	Amount required to be spent for the year	Amount spent for the year	Closing Balance
-	51.00	53.49	2.49

53 Figures of the previous year has been re-grouped/re-arranged wherever necessary. The impact of the same is not material to the users of standalone financial statements.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm's Registration No.: 117366W/W-100018

Viral Shah

Viral R. Shah
Partner
Membership No.: 117854

For and on behalf of the Board of Directors of
ZIM Laboratories Limited
CIN No.:L99999MH1984PLC032172

Anwar S. Daud

Anwar S. Daud
Managing Director
DIN: 00023529

Zulfiqar M. Kamal

Zulfiqar M. Kamal
Director (Finance)
DIN: 01786763

Shyam Mohan Patro

Shyam Mohan Patro
Chief Financial Officer

Piyush Nikhade

Piyush Nikhade
Company Secretary

Place: Mumbai
Date: 19 May 2026

Place: Nagpur
Date: 19 May 2026

R.B.

